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Equitable Remedies in Patent Law: Exploring Specific Relief and Injunctions

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ABSTRACT:

In India's patent system, inventors rely on equitable remedies, like injunctions and specific relief, to safeguard their exclusive rights. These remedies offer distinct advantages compared to monetary damages, focusing on preventing future harm and ensuring full enjoyment of patent monopolies. This exploration delves into the historical underpinnings and core principles of equitable relief in patent law, including concepts like irreparable harm and the balance of equities. It then compares equitable remedies with legal remedies, highlighting the unique strengths of injunctions in stopping ongoing infringement and specific relief in addressing situations where damages or injunctions fall short. The analysis examines the specific application of both injunctions and specific relief under Indian patent law. It then explores the challenges associated with their use, including concerns about overreach, potential stifling of competition, and alignment with international trade agreements. Recognizing the dynamic nature of the legal landscape, the exploration examines recent developments in jurisprudence and legislative reforms. These include a growing emphasis on proportionality in granting injunctions, stricter requirements for demonstrating irreparable harm, and the rise of alternative dispute-resolution mechanisms. By acknowledging the complexities and exploring potential solutions, this exploration aims to contribute to a more efficient and effective system for protecting innovation and promoting technological advancement in India.

INTRODUCTION:

Patents grant inventors exclusive rights to their novel and non-obvious inventions, fostering innovation and economic growth. The patent system is a cornerstone of innovation, granting inventors exclusive rights to their creations and fostering progress across various industries. However, these exclusive rights are not without vulnerabilities.¹ When third parties infringe upon a valid patent, the patent holder possesses an arsenal of legal tools to safeguard their interests. While monetary damages play a significant role in compensating for past

¹ linkedin, <https://www.linkedin.com/pulse/future-patent-law-ai-driven-world-protecting-innovation-inventions>, (last visited Feb. 01, 2024).

transgressions, equitable remedies offer a distinct and crucial dimension to patent enforcement. Among these equitable remedies, specific relief and injunctions stand out as powerful instruments for protecting patent rights. Unlike monetary damages, which focus on retrospective compensation, specific relief, and injunctions look towards the future, aiming to prevent further harm and ensure the complete enjoyment of the patent monopoly. Understanding the intricacies of these remedies empowers patent holders and their legal counsel to navigate the complexities of patent infringement litigation.

This exploration delves into the unique advantages and essential considerations associated with utilizing specific relief and injunctions in patent infringement cases. It analyses the specific situations where these remedies offer the most significant value and the critical factors courts weigh when determining whether to grant or deny them. Through a comprehensive examination, this exploration aims to provide a deeper understanding of these essential remedies and their role in safeguarding the rights of patent holders.

Equitable Remedies in Patent Law: An Overview

Historical Development of Equitable Remedies

The application of equitable remedies in patent law has a long and complex history, intertwined with the evolution of the patent system itself. While the specific legal framework varies by jurisdiction, the fundamental principles of equity have consistently played a crucial role in safeguarding patent rights. Early English courts, lacking statutory authority to award damages for patent infringement, relied on equitable principles to protect inventors.

Principles Underlying Equitable Relief

Equitable relief arises from the inherent power of courts to provide fair and just remedies beyond the limitations of common law. 'Equity' refers to those principles that were initially created in the English High Court of Chancery.² Unlike legal remedies, which typically focus on awarding monetary damages to compensate for past harm, equitable remedies are designed to address future harm and ensure the complete enjoyment of a legal right. Several core principles underpin the application of equitable relief in patent law:

² OXFORD UNIVERSITY PRESS SAMPLE CHAPTER, [BRIEN_9780195594027_SC.pdf \(oup.com.au\)](https://www.oup.com.au) (last visited March 2, 2024)

- **Irreparable Harm:** The patent holder must demonstrate that monetary damages would be insufficient to adequately address the harm caused by the infringement. This harm can include loss of market share, reputational damage, or the potential for the infringing activity to undermine the value of the patent itself.
- **Balance of Equities:** Courts carefully weigh the potential harm to the patent holder if the injunction is not granted against the potential harm to the infringing party if it is granted. This balancing act ensures that equitable relief is only granted when it is fair and just to do so.
- **Clean Hands Doctrine:** This clean hand doctrine is based on the maxim, "*he who comes to equity must come with clean hands*" which means that a party seeking equitable relief from a court cannot have engaged in wrongdoing themselves related to the matter at hand.³ The patent holder's own conduct is relevant. If the patent holder has engaged in inequitable behaviour, such as fraud or deception during the patent application process, they may be denied equitable relief.

The purpose of the doctrine is to prevent a party from obtaining relief when that party's own wrongful conduct has made it such that granting the relief would be against equity and good conscience.⁴

Comparison with Legal Remedies

Equity, in addition to patent law, is an area of law that is often thought to be particularly flexible and open to arguments that judges should be permitted to modify the scope of equity's rules over time according to changes in legal and societal norms.⁵ Monetary damages, the primary legal remedy in patent infringement cases, aim to compensate the patent holder for the financial losses suffered due to the infringement. While damages play a vital role in patent enforcement, they have limitations.⁶

- **Difficulty in Quantifying Harm:** Accurately calculating the financial losses caused by patent infringement can be challenging, particularly in cases involving new or innovative technologies.

³ law.cornell.edu, https://www.law.cornell.edu/wex/clean_hands_doctrine, (last visited Feb. 01, 2024).

⁴ Colby Furniture Company, Inc. v. Belinda J. Overton, 299 So. 3d 259

⁵ Stephen N. Subrin, How Equity Conquered Common Law: The Federal Rules of Civil Procedure in Historical Perspective, 135 U. PA. L. REV. 909, 920 (1987).

⁶ linkedin, https://www.linkedin.com/pulse/unraveling-mystery-understanding-damages-remedies-patent-trivedi?_l=en_US, (last visited Feb. 01, 2024).

- Inability to Prevent Future Harm: Damages only address past harm and do not prevent the infringing activity from continuing.

In contrast, equitable remedies offer a more comprehensive solution:

- Addressing Future Harm: Injunctions proactively prevent the infringing party from continuing their activities, safeguarding the patent holder's exclusive rights and future market
- Preserving the Patent Monopoly: Specific relief, in certain situations, can help to ensure the patent holder retains full control over their invention, preventing unauthorized use or exploitation.

While both legal and equitable remedies serve distinct purposes in patent enforcement, their combined application allows for a more complete and effective approach to protecting patent rights.

Specific Relief in Patent Law of India:

In the Indian patent legal framework, while monetary damages and injunctions are the most common remedies for patent infringement, specific relief offers an alternative approach under specific circumstances. The Specific Relief Act, 1963 outlines remedies beyond mere monetary compensation, aiming to enforce specific actions or undo wrongful situations. In the context of patent law, specific relief focuses on:

- Compelling specific actions: This can involve directing the infringing party to deliver infringing products or materials to the patent holder for destruction or ordering them to correct the patent inventorship if incorrectly named.
- Preventing specific actions: Similar to an injunction, specific relief can prevent continued use of confidential information obtained through a breach of a confidentiality agreement related to the patent.

Key characteristics of specific relief in patent cases include:

- Discretionary nature: The Hon'ble Supreme Court has said that "the grant of a decree for specific performance is always discretionary."⁷ The exercise of discretion depends

⁷ Major Gen. Darshan Singh (D) By Lrs. & Anr. versus Brij Bhushan Chaudhary

on several factors. One of the factors is the conduct of the plaintiff. The reason is that relief of a decree of specific performance is an equitable relief.⁸ A person who seeks equity must do equity.”⁹ Granting specific relief is at the court's discretion, considering various factors like the severity of the infringement and the availability of alternative remedies.

- Focus on specific actions: Unlike an injunction, which generally prohibits an activity, specific relief mandates or forbids specific actions related to the infringement.
- Rarely used: Due to the stringent criteria and often simpler alternatives like injunctions, specific relief is granted infrequently in patent infringement cases.

Application of Specific Relief in Patent Infringement Cases

Specific relief becomes particularly relevant in situations where monetary damages or injunctions might not provide adequate solutions:

- Infringing product incorporated into another product: When the infringing feature is inseparable from the non-infringing components of the product, specific relief can mandate the infringing party to deliver the entire product for destruction.
- Incorrect inventorship: If the patent wrongly names the inventors, specific relief can be used to correct the inventorship on the patent register, ensuring proper recognition and rights.
- Breach of confidentiality agreements: Specific relief can prevent the continued use of confidential information obtained through a breach of a confidentiality agreement related to the patent.

Injunctions in Patent Law of India: Safeguarding Innovation:

An injunction is a court order that either forces someone to do something or stops them from doing something. While injunctions have roots in English courts, in India, they are considered a special form of legal remedy. Courts rely on both the Civil Procedure Code and the Specific

⁸ Debby Jain, Supreme Court Denies Specific Performance To Plaintiff Who Made False Statements, Calls Relief Discretionary & Equitable, *livelaw*, (last visited Feb. 01, 2024), <https://www.livelaw.in/top-stories/supreme-court-relief-of-specific-performance-discretionary-and-equitable-251059?infinitemscroll=1>

⁹ Major Gen. Darshan Singh (D) By Lrs. & Anr. V. Brij Bhushan Chaudhary (D) by Lrs., CIVIL APPEAL NO. 9360 OF 2013

Relief Act when deciding whether to grant an injunction. Although judges have some discretion in these decisions, it's not a free-for-all. They must follow established legal principles to ensure fairness. In order to obtain an order of injunction, the patent holder seeking grant of such injunction, has to prove that he has made out a prima facie case to go for trial, the balance of convenience is also in his favour and he will suffer irreparable loss and injury if injunction is not granted.¹⁰ In the dynamic landscape of Indian patent law, injunctions serve as critical instruments for safeguarding the exclusive rights granted to inventors under the Patents Act, 1970. These court orders function as powerful tools to prevent future harm and ensure the integrity of the patent system.

Statutory provisions for injunction:

Injunctions in civil proceedings are governed by Chapters VII and VIII of the Specific Relief Act and Rules 1 to 5 of Order XXXIX of Code of Civil Procedure.¹¹ Specific Relief Act, 1963 makes provision for Perpetual injunction (Sec 38) and Mandatory injunctions (Sec. 39), while temporary injunction is granted under the Civil Procedure Code, 1908.¹² Temporary injunctions are such as are to continue until a specific time, or until the further order of the court, and they may be granted at any stage of a suit, and are regulated by the Code of Civil Procedure, 1908.¹³ Whereas, a perpetual injunction can only be granted by the decree made at the hearing and upon the merits of the suit; the defendant is thereby perpetually enjoined from the assertion of a right, or from the commission of an act, which would be contrary to the rights of the plaintiff.¹⁴

Certain exclusive rights are being conferred upon the patentee or the patent holder to exclude third parties from making, importing, using, offering for sale, or selling the patented invention, patented product, or patented process.¹⁵ The Patent Act of 1970 empowers the courts to grant "reliefs" in suits for infringement of such rights and the patent holders to claim such reliefs.¹⁶ Section 108 of the Act also authorizes the patentee to ask for an injunction as a relief against

¹⁰ Kashi Math Samsthan and another v. Srimad Sudhindra Thirtha Swamy and another, A.I.R 2010 S.C. 296

¹¹ ANANTH PADMANABHAN, INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT AND REMEDIES 5 (Lexis Nexis 2012)

¹² IKOUNIV, <https://www.ikouniv.ac.in/site/writereaddata/siteContent/202004131505182206sanjanamittallaw> (last visited March 7, 2025)

¹³ Specific Relief Act, 1963, § 37(1), No. 47, Acts of Parliament, 1963 (India)

¹⁴ Specific Relief Act, 1963, § 37(2), No. 47, Acts of Parliament, 1963 (India)

¹⁵ The Patents Act, 1970, § 48, No. 39, Acts of Parliament, 1970 (India)

¹⁶ The Patents Act, 1970, § 108, No. 39, Acts of Parliament, 1970 (India)

patent infringements. Injunctions act as a deterrent, prohibiting the infringing party from continuing their activities and protecting the patent holder's future market position and potential profits. Unchecked infringement can erode the value of the patent. Injunctions prevent this by ensuring the patent holder retains exclusive control over their invention.

Beyond Injunctions: Taking Down Infringement¹⁷

In addition to injunctions, Indian courts have the authority to take further action against infringing parties. This can involve:

- **Damages or account of profits:** When a patent is infringed, the patent holder (plaintiff) has a choice between two remedies: damages or account of profits. They cannot claim both. account of profits focuses on the infringer's gains, while damages focus on the patent holder's losses. The choice between these options depends on which approach would provide the most complete and fair compensation for the patent holder.
- **Seizing infringing goods:** The court can order the infringing products to be confiscated to prevent their continued sale or use.
- **Forfeiting infringing materials:** Materials or tools primarily used to create infringing products can also be seized by the court.
- **Destroying infringing goods and materials:** The court may even order for complete destruction of confiscated infringing products and materials.

These actions are at the court's discretion based on the specific circumstances of the case. Importantly, no compensation will be given to the infringing party for the seized or destroyed items. This serves as a strong deterrent against future infringement.

Challenges and Controversies in Indian Patent Law

While India's patent system aims to foster innovation, several challenges and controversies surround the application of equitable remedies, particularly in the context of injunctions. Here's a breakdown of some key areas of debate:¹⁸

1. Overbreadth and Abuse of Equitable Remedies:

¹⁷ *Id.* at 1353.

¹⁸thesedonaconference,

https://thesedonaconference.org/sites/default/files/conference_papers/%5B2.2%5D%20V.%20Cundiff%20et%20al_Getting%20the%20Remedy%20Just%20Right%20Making%20Sure%20that%20Equitable%20Relief%20Really%20Is_2017.pdf, (last visited Feb. 01, 2024).

Concerns: Critics argue that patent holders sometimes seek overly broad injunctions that stifle competition and innovation. These broad injunctions might restrict activities that don't directly infringe on the core aspects of the patent.

Potential Abuse: There's a risk that injunctions might be used strategically to harass competitors or suppress potentially innovative technologies that fall outside the scope of the patent.¹⁹

2. Impact of Equitable Remedies on Innovation and Competition:

Stifling Effect: Stringent injunctions can discourage potential entrants into the market, especially for smaller players who may not have the resources to fight lengthy legal battles.

Balancing Act: While injunctions are crucial for protecting patent rights, excessive use can hinder the free flow of knowledge and ideas, which are essential for innovation and technological advancement.

3. International Perspectives on Equitable Remedies:

Global Standards: India is a signatory to international trade agreements like the TRIPS Agreement, which emphasizes the need for a balanced approach to intellectual property rights. This includes ensuring that patent enforcement doesn't unduly restrict competition.

Comparative Analysis: Examining how other jurisdictions handle injunctions in patent disputes can offer valuable insights. Some countries have stricter requirements for granting injunctions, while others may be more flexible.

The Evolving Legal Landscape of Equitable Remedies in Indian Patent Law:

The landscape of intellectual property protection in India, particularly regarding equitable remedies, is undergoing significant change. Let's delve into the recent developments, legislative reforms, emerging trends, and future directions shaping this dynamic area:

Recent Developments in Equitable Remedies Jurisprudence:

Proportionality Principle: Courts increasingly emphasize the principle of proportionality when granting injunctions. This means carefully weighing the potential harm to the patent holder if the injunction is denied against the potential harm to the alleged infringer if it is granted. This approach aims to ensure a more balanced outcome.

¹⁹ Rashi Chandok., All you need to know about patent claims, blog.ipleaders, (Feb. 01, 2024, 4:19 PM), <https://blog.ipleaders.in/all-you-need-to-know-about-patent-claims/>

Focus on Irreparable Harm: There is a great debate on the question of irreparable harm in the context of patents since every loss caused to the patentee-plaintiff can be compensated through damages.²⁰ Establishing irreparable harm is a crucial criterion for obtaining an injunction is receiving stricter scrutiny. Courts are demanding more concrete evidence beyond mere speculation to justify an injunction.

Legislative Reforms and their Implications:

The Patent (Amendment) Act, 2012: This act introduced provisions for post-grant opposition, allowing challenges to the validity of a patent after it has been granted.²¹ This mechanism provides an avenue for interested parties to raise objections against a patent's validity on various grounds, such as lack of novelty, non-obviousness, or insufficient disclosure. This could potentially reduce the reliance on injunctions to address infringement issues.

The Arbitration and Conciliation Act, 1996 (amendments): Amendments to this act have facilitated faster resolution of intellectual property disputes through arbitration. This provides an alternative to lengthy court battles for obtaining equitable remedies.

Emerging Trends and Future Directions:

Increased Use of Alternative Dispute Resolution (ADR): ADR mechanisms like mediation and arbitration are gaining traction as faster and more cost-effective means of resolving patent disputes, potentially reducing the need for injunctions.

Focus on Innovation-Friendly Injunctions: Courts may be more receptive to crafting injunctions that are targeted and specific, allowing competitors to operate in areas outside the core aspects of the patented invention. This could foster a more innovation-friendly environment.

Harmonization with International Standards: India's patent law and jurisprudence are likely to evolve further to comply with international trade agreements like the TRIPS Agreement, ensuring a balanced approach to intellectual property rights. Another emerging trend is the growing importance of technology and digitalization in the enforcement of equitable remedies,

²⁰ Yogesh Pai, Patent Heuristics in India, Kluwer Law International B.V, 16 (2019), Available at SSRN: <https://ssrn.com/abstract=3305029>

²¹ Rashi Chandok.Nagesh H Karale, A comparative analysis of patent grant processes in India and the United States, blog.ipleaders, (Feb. 01, 2024, 4:19 PM), <https://blog.ipleaders.in/a-comparative-analysis-of-patent-grant-processes-in-india-and-the-united-states/>

with courts leveraging digital platforms and tools to expedite proceedings and enhance accessibility. Additionally, there is a growing recognition of the need for capacity-building initiatives and judicial training programs to ensure that judges are equipped with the necessary knowledge and skills to adjudicate complex intellectual property cases effectively. These emerging trends underscore the dynamic nature of equitable remedies jurisprudence in India and the need for continued innovation and adaptation to meet the evolving needs of the legal system and society at large.²²

Practical Implications and Recommendations for Equitable Remedies in Indian Patent Law:

Navigating equitable remedies in Indian patent law requires a nuanced approach for both litigants and policymakers. For litigants: Patent holders should focus on strong patent claims and gather concrete evidence of irreparable harm to bolster their case for an injunction. Exploring alternative dispute resolution (ADR) can also be a faster and more cost-effective approach. Alleged infringers can counter by challenging the patent's validity, demonstrating minimal harm to themselves from an injunction, or seeking alternative solutions with the patent holder. Policymakers must prioritize several areas: Clearer guidelines on proportionality in granting injunctions are needed. Strengthening fast-track dispute resolution mechanisms and providing specialized training for judges can improve efficiency and decision-making. Finally, policymakers should continuously assess the balance between encouraging innovation and fostering healthy competition in the patent system. By adopting these recommendations, India can create a more balanced and effective system for administering equitable remedies, promoting both innovation and a thriving technological landscape.

CONCLUSION:

The evolving legal landscape surrounding equitable remedies in India reflects a dynamic interplay of judicial, legislative, and societal factors. Recent developments in equitable remedies jurisprudence have demonstrated a growing recognition of equity's importance in addressing complex legal issues and ensuring fair outcomes, particularly in the realm of intellectual property law. Courts have embraced innovative measures such as dynamic

²² Bhushan Dandawate, *The Litigation Culture: Are We Becoming Overly Legalistic?*, medium, (Feb. 01, 2024, 4:19 PM), <https://medium.com/@bhushandandawate/the-litigation-culture-are-we-becoming-overly-legalistic-f73b2d366782>

injunctions and adopted nuanced approaches to balance the interests of right holders and the public, signalling a maturing understanding of equity's role in Indian jurisprudence. Recent developments in jurisprudence and legislative reforms, such as the emphasis on proportionality and the rise of ADR mechanisms, offer promising avenues for a more efficient and fair system. For stakeholders, crafting strong patent claims, gathering evidence of harm, and exploring alternatives are crucial strategies. Policymakers can further enhance the system by establishing clear guidelines, strengthening dispute resolution, and ensuring a balance between innovation and competition. Ultimately, navigating the evolving landscape of equitable remedies in Indian patent law requires a collaborative effort from litigants, practitioners, and policymakers. By working towards a balanced system, India can foster a vibrant environment that both protects intellectual property and encourages technological advancement.

