

ANALYSIS OF CRIMINAL REMEDIES IN IPR LITIGATION

Intellectual Property means a property created through human intellect (skill, creation, etc.). Intellectual Property Rights are exclusive legal rights given to a person for creative and artistic work, for any invention or discovery, or for any literary work or words, phrases and symbols or designs for a stipulated period of time. These exclusive rights are given in order to ensure that the IP holders can use the intellectual property solely and without any disturbance. This is also given as a form of reward for encouragement of such creative and artistic work, literary work, invention, etc.

There are various types of Intellectual Property i.e. trademark, patents, copyright, industrial design, geographical indications, trade secrets, integrated circuits, etc. In India the Intellectual Property is governed through various legislatures such as Patents Act, 1970; Trademarks Act, 1999; Copyright Act, 1957; Designs Act, 2001, etc.

RIGHTS GRANTED TO IP HOLDERS

People who seek the protection of their intellectual property to avoid any interruption in the use of his property. The creators of any invention, or a mark or a literary or creative work spend money as well as time for creating the Intellectual Property, hence they should also be granted certain rights like exclusive use of their invention or claiming remedies for the infringement etc. The rights granted to Patent holders, Trademark holders and Copy right holders are as follows:

Patents -: When an invention is made in any field, it is of utmost importance to protect it from getting exploited by anybody other than the inventor and the same is possible by obtaining a patent for an invention. A patent grants exclusive rights to a patent holder. The inventors can use their invention and they will be able to take legal action against anyone who uses it without their permission.

A patent grants the right to stop others from copying, manufacturing, selling, and importing the invention without the patent holder's permission¹.

¹ Section 48 of Patents Act, 1970

Trademark -: A trade mark is a sign which can distinguish the goods and services of the trademark holder from those of the competitors. It can be for example words, logos or a combination of both. Registering a Trademark is not compulsory². There are two types of trademark – registered and unregistered.

Registered Trademark: Registering a trade mark gives Trademark holder the exclusive right to use his mark for the goods and/or services. A Registered Trade Mark may put people off using the trade mark without the permission of the holders, allows them to take legal action against anyone who uses their trade mark without their permission³.

Unregistered Trademark: For the protection of unregistered trademark, if it is not registered, still the holder of an unregistered trademark will be able to take an action against anyone who uses it without his permission through the common law action of passing off. To be successful in a passing off action, one has to prove that the mark belongs to him, he must have built up a reputation in the mark and he has been harmed in some way by the other person's use of the mark.

Copyright -: Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings⁴. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work.

INFRINGEMENT OF INTELLECTUAL PROPERTY

The infringement of intellectual property takes place due to the encroachment in the intellectual property of an owner. Hence it is essential to protect the ideas from getting into wrong hands. The infringement of Intellectual Properties includes Patent Infringement, Trademark Infringement, Copyright Infringement, etc.

Patents Infringement -: A person can use a patented product by seeking permission from the owner. This permission may typically be granted in the form of a license. Patent infringement is the act of utilizing a patented invention without permission from the patent holder. In India, the

² Section 2(1)(zb) of Trademarks Act, 1999

³ Section 28 of Trademarks Act, 1999

⁴ Section 14 of Copyright Act, 1957

patent infringement proceedings can be initiated only after the grant of patent. Persons involved in making, using, selling, distributing, importing or offering any of the above may be held liable for infringement.

Trademark Infringement -: It is a violation of exclusive rights attaching to a trademark without the authorization of the trademark owner or licensees. Infringement may occur when one party, the “infringer”, uses a trademark which is identical or confusingly similar to a trademark owned by other party, in relation to products or services which are identical or similar to the products or services which the registration covers⁵.

Copyright Infringement -: The infringement of copyright takes place by reproducing the work in any material form, issuing copies of the work to the public not being the copies already in circulation including the work in any cinematographic film, making an adaptation of the work, communicating the work to the public, if aware that such act shall amount to infringement of copyright, making, selling, letting on hire, distributing, importing or holding trade exhibits in public of the infringed work⁶.

CRIMINAL REMEDIES AVAILABLE FOR INFRINGEMENT

When there is a violation or an infringement of an intellectual property, it becomes the sole right of the Intellectual property holder to obtain a remedy for the infringement of something that he has acquired with a lot of hard work and tremendous efforts. Hence it is necessary to grant remedies to the intellectual property holders. The remedies granted to the Intellectual Property holders are of three types: Criminal, Civil and Administrative Remedies. In this I would be dealing with criminal remedies only.

Patents-: A Suit for Infringement of Patent has to be filed before the District Court or the High Court (depending on the pecuniary jurisdiction) within whose territorial jurisdiction the cause of action has arisen⁷. However if the counter claim for revocation has been filed against the same, only the High Court has the jurisdiction to entertain the matter.

⁵ Section 29 of the Trademarks Act 1999

⁶ Section 51 of the Copyright Act, 1957

⁷ Section 104 of the Patents Act, 1970

The reliefs that a court may grant in a patent infringement suit, would include an injunction (subject to such terms, if any, as the court thinks fit) and, at the option of the plaintiff either damages or an account of profits⁸. The court may also order that the goods which are found to be infringing and materials and implement, the predominant use of which is in the creation of infringing goods shall be seized, forfeited or destroyed, as the court deems fit under the circumstances of the case without payment of any compensation⁹.

Trademark -: The proprietors of the trademark as well as licensed users have the option to initiate criminal prosecution against the infringers. The acts recognized as offences against which criminal complaints can be filed are falsifying and falsely applying a trademark, making or processing instruments for falsifying a trademark, applying false description, applying false indication of the country of origin, tampering with an indication of origin already applied to goods, selling goods or possessing or exposing for sale of goods falsely marked, falsely representing a Trademark as registered, improperly describing a place of business as connected with the trademark office and falsification of entries in the register¹⁰.

The Criminal Remedies available are that a suit for the above offences can be filed before the magistrate within whose territorial jurisdiction the offence is committed or Police can register an FIR and prosecute directly; (statutory requirement to obtain the Registrar's approval). Besides confiscation of goods and machinery, the Code of Criminal Procedure, 1973, also provides for the imprisonment starting from six months which can be extended to three years or fine of Rs. Fifty thousand which can be extended to two lakhs or both.

Copyright -: Copyright infringement is a cognizable (non-bailable) offence punishable with an imprisonment of six months which can be extended to three years or a fine not less than fifty thousand which can be extended to two lakhs. For the second and subsequent conviction, the minimum term of imprisonment has increased to one year which may extend to three years and minimum fine has increased to one lakh which may be extended to two lakh rupees¹¹.

⁸ Section 108(1) of the Patents Act, 1970

⁹ Section 108(2) of the Patents Act, 1970

¹⁰ Section 103 and 104 of the Trademarks Act, 1999

¹¹ Section 63 of the Copyright Act, 1957

The copyright act authorizes a police officer, not below the rank of a sub-inspector to seize without a warrant, all copies of work, and all plates used for the purpose of making infringing copies of work and produce them before the magistrate¹².

¹² Section 64 of the Copyright Act, 1957