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IP FOCUS

Public interest and imperfect recollection

Hemant Singh of Intil Advocare uncovers recent IP trends in the Indian courts, which demonstrate a renewed respect for IP rights and innovation

The recent trends emerging from Indian courts appear positive and should inspire the confidence of IP right holders in India. The courts have dealt with complex issues of public interest raised in patent infringement cases, decoded tests of imperfect recollection in trade mark cases and granted injunctions against the use of bad-faith trade mark imitation.

Public interest in patent infringement

In the recent judgment *Novartis v Cipla*, an interim injunction was granted by Delhi High Court in favour of the patentee (Novartis), rejecting the contention of the generic (Cipla) that the drug in question is not manufactured locally and is only available by way of import, in insufficient quantity and at too high a price. Cipla further contended that the drug Indacaterol is an efficacious drug for the treatment of COPD (chronic obstructive pulmonary disease), which is an epidemic in India with over 15 million people suffering from it. Cipla contended that it has already petitioned central government for cancellation of the patent, as





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it is contrary to public interest and therefore no interim injunction should be granted.

The Delhi High Court rejected Cipla's plea on the ground that it failed to raise any credible challenge to the validity of the patent and did not suggest that any infringement had occurred. In the light of this decision, public interest by itself may not be sufficient grounds to deprive the patentee of its statutory right. Further, the court observed that the inadequate supply of the drug, the pricing or the working of patent are matter covered by the compulsory licence, which falls within the domain of the Controller of Patents under the Patents Act and not within the domain of the court. Cipla has filed an appeal against the said order, which is *sub-judice* before the Appellate Court.

Drug innovators take heed

The recent judgment in *Merck Sharp and Dohme v Glenmark Pharmaceuticals* pronounced by the division bench of the Delhi High Court is a welcome decision for innovators of drugs. The judgment examines various facets of patent law in particular, the level of disclosure required in relation to Markush claims, the effect of non-disclosure of subsequent Indian patent applications under section 8, and the infringement of a compound patent. The decision upheld Merck's claim of infringement of its patent for Sitagliptin, covering its products (namely Januvia and Janumet) and enjoined Glenmark from manufacturing and selling Sitagliptin phosphate monohydrate as a drug formulation.

Although the court, in a lucid explanation, held that Sitagliptin free base is disclosed and claimed in the Merck's patent, it left the question of disclosure of Sitagliptin phosphate monohydrate open-ended, being a subject of trial and evidence. As regards Glenmark's plea of validity of various salts and combinations of Sitagliptin, originating from the Markush claim, the court restricted the test of common use or property and common structure for determining the validity of a Markush patent.

The insurmountable amount of disclosure required under section 8 of the Patents Act has been limited to the disclosure of corresponding patent applications outside India only, which is a huge relief to the patentees in terms of prosecution and enforcement of patents.

The court was unmoved by Glenmark's contention that Sitagliptin free base was not used for manufacturing either Zita or Zita Met. As Glenmark failed to provide any evidence or document in support of this plea, the court noted that Glenmark's US patent 8334385 makes specific reference to Sitagliptin as an essential ingredient for manufacturing R-Sitagliptin. In no unambiguous terms, the court clarified the test of infringement when minor variations are added to pharmaceutical product patents by holding that:

If the infringing products are made in same object in view which is attained by the patented article, then a minor variation does not mean that there is no infringement. Trifling and unessential variations are to be ignored. Conversely, a miniscule advancement could be regarded as an invention.

Compulsory licensing

A compulsory licence is defined as an 'authorisations permitting a third party to make, use or sell a patented invention without the patent owner's consent'. Chapter XVI of the Patents Act 1970 of India specifically deals with compulsory licensing. A compulsory licence in India was granted to Natco Pharma to produce a generic version of Bayer Corporation's Nexavar, used in the treatment of liver and kidney cancer. The compulsory licence was issued by the Controller on the following three grounds: (i) the reasonable requirement of the public was not satisfied; (ii) the medicine was not available to the public at a reasonably affordable price; and (iii) the patented invention was not worked in the territory of India.

Subsequently, in a case involving the drug Dastinib, the Controller of Patents rejected Mumbai-based BDR's application for a compulsory licence on the grounds that the threshold for establishing a *prima facie* case for seeking a voluntary licence had not been established.

In a recent case, the Controller of Patents has rejected Lee Pharma's application for compulsory licence for the anti-diabetes compound Saxagliptin of the Swedish drug maker AstraZeneca. The said application was turned down on all the three of the above-mentioned grounds. The Controller further observed that to establish the working of patents in India, local manufacturing is not a precondition in all cases.

It was also observed by the Controller that, *prima facie*, Lee Pharma could not establish and prove first, that the public requirements for the given patented invention are not being satisfied. Second, that there was no working of the patented

invention within the territory of India. And third, that there was minor variation in the proposed selling price of Lee Pharma and that of the existing price, apart from observing that there are several options of drugs available for diabetes.

Passing off

The Delhi High Court recently issued an ad interim injunction in a case involving the trade mark Luminous used in relation to clinical studies on safety and efficacy of Ranibizumab, a drug for the treatment of retinal vein occlusion (RVO) (central and branch), visual impairment due to diabetic macular oedema (DMO) and wet age related macular degeneration (WAMD). The litigation was triggered by the adoption of the trade mark Lumina by Intas Pharmaceuticals, an Indian generic manufacturer, for the proposed sale of Ranibizumab as a drug formulation. It was contended by Novartis that the trade mark Luminous and Lumina are deceptively similar on account of conceptual, structural and phonetic similarity. Further, considering that both the trade marks are intended to be used in relation to the same drug, there would be a likelihood of confusion and association between the competing businesses. This was vehemently contested by Intas by advancing a submission to the effect that there is no commercial use of the trade mark Luminous by Novartis and the use of Luminous is limited to clinical studies, which are incapable of being considered as trade mark usage entitled to protection in passing-off action. Intas further contended that there would be no likelihood of confusion or deception, since the trade marks are used in relation

to a drug which is administered by highly qualified ophthalmologists and there is no product sold by Novartis under the trade mark Luminous. In fact, the trade marks used by Novartis for the sale of Ranibizumab are Accentrix and Lucentis. The Delhi High Court eventually issued an ad interim



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Hemant Singh is an IP counsel, managing partner and founder member of IP law firm Intl Advocare in India with offices located in Delhi and Mumbai. He was admitted to the bar in 1984 and has handled more than 1800 IP litigations in various courts all over India. He has been the lead counsel in several landmark IP cases involving contentious and complex issues in the areas of trade marks, patents, designs, copyright, trade secrets, geographical indications, competition laws etc. With diverse worldwide clientele, he represents several Fortune 100 and Fortune 500 companies. He represented INTA as counsel in its first amicus brief before the Supreme Court of India in a case involving parallel imports. His leadership has led Intl Advocare to be conferred with the Best Trade Mark Counsel – Global Award 2014 by Novartis Pharmaceuticals which is a great recognition for the law firm.

Hemant is also a member of the International Amicus Committee of INTA; Trade Marks Committee and Council member of APAA (Asian Patent Attorneys Association) and Vice President of AIPPI (International Association for the Protection of Intellectual Property) – India Group and Chairman of the National Council on Intellectual Property of Associated Chambers of Commerce and Industry (ASSOCHAM) which is the oldest chamber of industries in India.

injunction upholding Novartis's plea of passing off on the ground that:

There appears to be prima facie structural and phonetic similarity of the impugned trade mark Lumina with that of Luminous. Hence, hearing the plaintiffs have made out a prima facie case.

Though this was an ad interim order and the issue is yet to be fully adjudicated by the court, the order is significant as it prima facie recognises the maintainability of a passing off action to protect the goodwill in a mark used for clinical studies.

Decoding imperfect recollection

Over the past decades, the courts have applied the test of imperfect recollection in cases of trade mark infringement and passing off worldwide, including in India. However, there have not been many judgments which have analysed what is meant by the concept of imperfect recollection and how it should be applied as a test of deceptive similarity between the competing trade marks. Recently, two judgments have been pronounced by the Delhi High Court analysing the meaning, significance and scope of the term.

In the case of *Allied Blenders & Distillers v Shree Nath Heritage Liquor* the Delhi High Court observed that:

The marks in dispute are 'Officer's Choice' of the plaintiff and 'Collector's Choice' of the defendant.

The test prescribed of 'infringement', of deceptive similarity with, identity with and association with registered trade mark and of likelihood of confusion,

simply put, is a test of possibility of the goods under the impugned trade mark being purchased by the intending consumers thereof, owing to the trade mark they bear, as the goods earlier consumed by them and which they intend to repeat or as originating from the same manufacturer/supplier whose

There have not been many judgments which have analysed what is meant by the concept of imperfect recollection

goods were consumed and intended to be repeated or as goods recommended to them for purchase or consumption. A trade mark, in the absence of anything else, is the 'face' of the goods by which the consumer/customer thereof identifies or recognizes or remembers the goods. Such identification/recognition/remembrance is dependent on the memory of the customers/consumer of such goods.

Answering it affirmatively, the Court held that the customer's or consumer's memory is likely to mix Officer with Collector. Therefore, the possibility of the trade mark Officer's Choice being remembered or recalled as Collector's Choice cannot be ruled out. Therefore, the defendant was restrained from using the said trade mark.

The appellate court, while dismissing the appeal, held:

In the facts of the instant case, it prima-facie emerges clear that Collector and Officer, may be considered hyponyms of the hypernym 'persons holding office' or the word collector may be considered a hyponym of the word officer or both collector and officer may be synonymous to each other: 'persons holding office'. What needs to be ascertained, thus, whether these two words exist

in hyponymy or synonymy with each other in the same context, such that the same idea is conveyed by the marks 'Officer's Choice' and 'Collectors' Choice', causing the likelihood of confusion or deception in the minds of a consumer of average intelligence and imperfect collection.

Supreme court on jurisdiction

The underlying principle to decide jurisdiction for the institution of a suit is by two means: *actus or situs*: either where cause of action has arisen or where the defendant carries on business. In India, the said principle is codified in the Code of Civil Procedure, which applies to all litigations and accordingly the jurisdiction for institution of the suit lies where a defendant carries on business or where a part of cause of action arises.

Keeping in perspective the convenience of the right holder of a trade mark and copyright, the legislature has carved out an exception to section 20 of Code of Civil Procedure by incorporating section 154 in the Trade Marks Act, 1999 and section 62(2) in the Copyright Act, 1957 conferring jurisdiction on such courts where the right holder is carrying on business.

The Supreme Court, in its recent judgment of *Indian Performing Rights Society v Sanjay Dalia*, has curtailed the scope of the term 'carrying on business'. It held that if any part of the cause of action has arisen where the right holder has any place of business, then the right holder would be deemed to be carrying on business only at such place for the purpose of invoking jurisdiction of the court to maintain trade mark or copyright infringement claims in terms of its recognition and value.

To conclude, it is evident that intellectual property, as well as a respect for innovation, have received an impetus in the Indian Courts. However, much remains to be addressed in terms of policy matters. Central Government must act if it wishes India to be perceived as a nation which effectively encourages the protection and enforcement of IP rights.

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INTTL ADVOCARE was established in 1991 by **Hemant Singh**, Managing and Founder Partner as well as a leading IPR lawyer based at New Delhi with branch office at Mumbai. Hemant Singh has handled over 1800 IP litigation cases on various subjects such as trademarks, copyrights, industrial designs, patents etc. The firm has been involved in several landmark judgments delivered by Indian Courts in the field of IP.

The firm's team comprises 34 professionals and 40 technical/paralegal/secretarial staff providing effective IPR prosecution and enforcement for their clients in India.

INTTL ADVOCARE has multi-jurisdictional practice in India, handling IP litigation and prosecution on all India basis and is one of the few IP law firms in India having significant expertise and experience in IP prosecution, enforcement, custom complaints as a part of broad spectrum of professional services in the fields of trade marks, copyright, industrial designs, patents, domain names and cyber squatting, geographical indications, traditional knowledge, unfair trade practices, unfair competition, consumer protection laws, right of privacy and publicity, corporate laws, commercial documentation, foreign collaborations, transfer of technology agreement and franchising, strategizing IP protection, trade secrets, know-how and breach of confidence, technical collaboration etc.

INTTL ADVOCARE has had the privilege of representing some of the biggest and leading brands in the industry including but not limited to Foods and Beverages, Liquor, Garments, Cosmetics, FMCG, Fashion Accessories, Computer Software, Telecommunication, Media, Electronics, Telemarketing Industry, Pharmaceuticals, Automobiles, Biotechnology etc.

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