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LEGISLATIVE
TRENDS

Courts clarify blurred lines

Hemant Singh of Intl Advocare discusses recent court decisions in India which reveal far-reaching implications in all areas of IP enforcement

Recent decisions in IP cases being delivered by the judiciary seem to be stirring up a hornets' nest. Whether it is the blurred lines of Section 8 being trampled upon, or the attempt of the courts to streamline revocation procedures, a few key decisions in this area and the trends being set are worth noting.

Patents

Section 8: Relaxation of stringent requirements
The importance of the Section 8 (The Patents Act, 1970 of India) requirement was felt in the case of *Chemtura Corp v Union of India* 2009, where it was strictly enforced. Section 8(1)(a) of the Indian Patents Act requires applicants to file a statement setting out the detailed particulars of the application filed in any country outside India with regards to a same or substantially similar invention.

The Delhi High Court in *Koninklijke Philips Electronics v Sukesh Behl* 2015 held that information concerning the pending foreign applications were inadvertently not disclosed by Philips. In order to invalidate a patent under Section 8, the



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Under Section 8, the court must ascertain whether there was deliberate or wilful suppression of information

court must ascertain whether there was deliberate or wilful suppression of information, which was indispensable and material to the grant of the patent by the Indian Patent office. If the court prima facie finds that the non-disclosure may have material bearing on the decision of the Controller to grant or refuse the patent application, it would amount to a breach of an applicant's obligation under Section 8. On the other hand, if such non-disclosure or omission has no material bearing on the issue of patentability or the scope of claims which are granted, such omission may not be considered as a ground to invalidate a patent or decline an order of interim injunction arising from the infringement of the patent.

A trend is observed in the implementation of Section 8 from the *Chemtura* judgment in *Koninklijke Philips v Sukesh Behl*. Such an alteration in the implementation of Section 8, brings a huge sigh of relief to patent applicants and owners, who find it challenging to comply with Section 8 and face revocation threats even on otherwise completely valid patents.

Revocation petitions and counter claims

On June 2 2014, the Supreme Court of India pronounced a decision with far-reaching implications on the manner in which a patent infringement suit should be adjudicated in India. It is important for patentees all over the world to take note of this development, as it constitutes a crucial factor in strategising patent infringement enforcement actions in India.

The judgment addresses the issue of dichotomy of jurisdiction that the Patents Act 1970 of India confers on a High Court on one hand and the Intellectual Property Appellate Board (IPAB) on the other, to determine the issue of invalidity of a patent.

In the case, *Wobben*, the patentee, sued the defendant, *Yogesh Mehra* and other directors of a company, which was earlier licensed to use his patented invention. The defendants continued using the patented invention even after termination of the licence. In a suit for infringement filed

before the High Court of Delhi, the defendants assailed the validity of the patent by way of a counter claim in the suit. The first suit was followed by several other suits for infringement of other patents of the same plaintiff against the same defendants. The defendants challenged the validity of such patents by way of counter claims. The defendants also filed revocation petitions against the patents before IPAB. IPAB gave its decision in respect of some of the patents while the suits for infringement were pending. The revocation petitions were pursued by the defendants despite the consent order of the Delhi High Court recording that the issue of invalidity would be determined in the counter claim filed in the infringement suit.

Wobben challenged the revocation petition pursued by the defendants before IPAB on the ground that having been allowed to pursue the counter claims in the infringement actions, the defendants should not be permitted to pursue the revocation petitions before IPAB. The High Court of Delhi ruled in favour of the defendants, saying that the Patents Act does not envisage a Doctrine of Election and so both the proceedings were to be held concurrently until the satisfaction of either of them. The issue was taken up in appeal before the Supreme Court of India.

Some of the relevant observations and findings of the Supreme Court are as follows:

If "any person interested" has filed proceedings under section 25(2) of the Patents Act, the same would eclipse all similar rights available to the very same person under section 64(1) of the Patents Act. This would include the right to file a "revocation petition" in the capacity of "any person interested" (under section 64(1) of the Patents Act), as also, the right to seek the revocation of a patent in the capacity of a defendant through a "counter-claim" (also under section 64(1) of the Patents Act).

Secondly, if a "revocation petition" is filed by "any person interested" in exercise of the liberty vested in him under section 64(1) of the Patents Act, prior to the institution of an "infringement suit" against him, he would be disentitled in law from seeking the revocation of the patent (on the basis whereof an "infringement suit" has been filed against him) through a "counter-claim". This denial of the remedy granted to him by way of a "counter-claim" under section 64(1) of the Patents Act, is based on the principle of law narrated in paragraph 24 above.

Thirdly, where in response to an "infringement suit", the defendant has already sought the revocation of a patent (on the basis whereof the "infringement suit" has been filed) through a "counter-claim", the defendant cannot thereafter, in his capacity as "any

person interested” assail the concerned patent, by way of a “revocation petition”. This denial of remedy granted to him by way of a “revocation petition” under section 64(1) of the Patents Act, is also based on the same principle of law expressed in paragraph 24 above...

The sixth contention advanced at the hands of the learned counsel for the appellants was, that insofar as the present controversy is concerned, the same was liable to be governed by the consent order, which was passed by the High Court on 1.9.2010, wherein the respondents (as defendants) had agreed, that the suits and “counter-claims” pending between the parties should be consolidated, and should be heard by the High Court itself. ...”

In our discussion recorded while dealing with the submission advanced by the learned counsel for the appellants, we have accepted the contention advanced at the hands of the learned counsel for the appellants, that only one out of two remedies available under section 64 of the Patents Act, can be availed of, so as to assail the grant of a patent. Accordingly the said remedy may be availed of in the capacity of either “any person interested”, or in the capacity of a defendant in a “counter-claim”.

It would be significant for a patentee proposing to initiate an infringement action before the courts of India to keep in mind the fallout of the above observations of the Supreme Court. Such observations would directly impact the manner in which a suit for infringement would proceed, predominantly affecting the efficacy of the remedy and the relief that a patentee would like to claim from the courts in India.

This judgment opened a new vista in patent litigation. For a judicial system of a country tainted with allegations of extreme multiplicity of proceedings, this ruling certainly arrives as a relief. However, the decision remains ambiguous over certain questions. What happens to suit for



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With a diverse, worldwide clientele, Hemant advises and represents Fortune 100 and 500 companies. He has been appointed by INTA to represent it in their first ever Amicus brief before the Supreme Court of India in the Samsung parallel imports case. He has handled over 1700 IP litigations in various courts and argued complex legal IP issues, including what constitutes prior use vis-à-vis overseas brand owners, requirements of trade mark usage to constitute infringement, and proprietary rights in respect of generic and descriptive marks.

infringement of patents where the revocation petition has been filed earlier and is pending before the Tribunal? Would the suit for infringement proceed? If so, can the suit for infringement proceed before the validity issue is decided?

Compulsory licences

In a significant decision pertaining to the issue of compulsory licences for patents, a division bench of the Bombay High Court rejected the petition filed by Bayer challenging the grant of a compulsory licence in favour of Natco for Sorafenib Tosylate (Nexavar). Nexavar is a crucial medicine for patients suffering from kidney and liver cancer. In upholding the Nexavar compulsory licence, generic versions of the drug could continue to be manufactured at Rs8,800 (\$146) per month, rather than the patented price of Rs280,000 per month.

In 2012, the Patent Controller had granted the compulsory licence to Natco to produce its version of the Sorafenib Tosylate. Bayer appealed this decision before IPAB, which upheld the decision of the Patent Controller. Against that order, Bayer approached the Bombay High Court with the present writ petition.

Trade marks

Requirements for spill-over reputation in passing off cases

The single judge of the Delhi High Court in *Cadbury UK v*

Lotte India 2014 held that it is not necessary for the plaintiff to actually show the presence or sale of its products in India, as long as it is able to establish that it enjoys a spill-over reputation in India. The court said that the proof of reputation may be in the form of advertisements in the media and general awareness, which in a modern day context would include advertisements or display on the internet and social media.

The fact that web pages displaying the product can be viewed in India was held sufficient to show that there are customers in India, or Indians travelling abroad are aware of it and are likely to associate the product with the plaintiff’s mark. Therefore, presence of products on the internet, the availability of products in duty free shops in international

For a judicial system of a country tainted with allegations of extreme multiplicity of proceedings, this ruling certainly arrives as a relief

airports, the frequency of travel and the growth of international tourism will be sufficient to show that the plaintiff has spill-over reputation in a country where there are no sales of the product.

Until now, it was argued that there is no dispensation in the use of the trade mark in India requirement for any proprietary claim based on goodwill and reputation subsisting in India. It was argued that it is the use of the trade mark in India alone that can give rise to a right to rely upon trans-border reputation, leading to the creation of such proprietary rights.

This comes as a great relief for parties who want to take action against parties guilty of passing off foreign brands, which have no local business in the said jurisdiction.

Design

Composite suits for infringement and passing off
The court's majority decision in *Micolube India v Rakesh Kumar* 2015 held that that the basis for a

suit for infringement under the Designs Act was based on the "uniqueness, newness and originality of the design", while an action for passing off is opted for when a party is misrepresenting using the plaintiff's trade mark, the consequences of which includes damage to the reputation and goodwill of the plaintiff and their goods. Therefore, as the two remedies stem from different courses of action, the court ruled that they cannot be combined in the same suit. The court, however, noted that for convenience, if the two matters are instituted in the court at close proximity to each other and if the court has jurisdiction in both matters, then they could be heard together, albeit as separate causes.

However, the Bombay High Court has subsequently declined to follow this principle and has upheld the use of a composite suit for infringement and passing off of a design, which appears to be the correct principle of law.

Copyright

Court rejects claim of exclusivity in match information

In *Akuate Internet Services v Star India* 2015, a division bench of the Delhi High Court held that no party could claim any exclusive property or other such rights to injunct the publication of match information or breaking news, irrespective of whether the object of the third party is to publish such information for commercial gain or not. Match facts and information were deemed to fall within the public domain as soon as the event has occurred. The Division Bench, therefore, set aside the injunction order granted by the single judge.

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INTTL ADVOCARE is a full service IP boutique firm, ranked as one of the leading IP firms in India by “Managing IP” as well “Chambers and Partners”, U.K.. INTTL ADVOCARE was established in 1991 by Mr. Hemant Singh, a leading IPR litigation lawyer who has been practicing in the field of IPR since 1984 and has handled over 1700 IP litigation cases till date on subjects varying from Trade Marks, Copyright, Industrial Designs, Patents and has been involved in quite a few landmark judgments delivered by Indian courts in the field of IP.

INTTL ADVOCARE has multi-jurisdictional practice 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.

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