



Welcome Note

Dear Friends,

INTTL ADVOCARE has succeeded in securing first judicial pronouncement from High Court of Delhi, India, clarifying that role of customs authorities applying Border Measure Regulations suspending import of goods alleged to be infringing a patent is, only that of “implementer” and not “adjudicator”. We bring this breaking news to you bearing immense significance on issue involving role of customs on a complaint filed before them for patent infringement which had affected large numbers of bonafide and legitimate importers. Hope you will benefit from it.

Hemant Singh
(Managing Partner)

PATENT INFRINGEMENT- HIGH COURT SETS GUIDELINES FOR CUSTOM INTERDICTION - INDIA

In a landmark and one of the most significant judgments in the field of intellectual property rights, effecting industry at large, the patent right holders and the customs acting under Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007 notified by Government of India, the High Court of Delhi in its order dated 30.11.2011 has set guidelines for the customs authorities to follow in India against imports related to complaint of patent infringement. The judgment, for the first time by any Indian court, has provided clarity as to what is the role of customs in suspending import of goods on ground of infringement of patent in India and the limitation of custom's authority.

The order is passed by Court on a civil suit filed by LG Electronics India against an order passed by the Assistant Commissioner of Customs, Mumbai on a complaint filed by a patentee for alleged infringement of his patent. The customs authorities ordered suspension of all consignments and shipments of LG pertaining to GSM mobile phones into India for examining whether they are infringing the patent of the complainant patentee.



The customs was acting on a complaint filed by a patentee almost a year back against the large number of manufacturers of electronics goods including Sony, Samsung, LG, Nokia, Motorola etc. The patentee claim that it has obtained patent in respect of “a process of manufacturing engraved design articles on metals or non-metals” and the products including GSM handsets bearing laser markings and engravings by use of the patented process constituted “infringing goods” and hence are liable to be seized and confiscated.

A show case notice was issued by the customs authorities to all such companies including LG. The same was responded by LG by seeking cancellation of the patent before the competent tribunal. The customs authorities were informed about the same and were requested to await the decision on issue of invalidity. However instead, the customs authorities decided to proceed with examining the issue of infringement themselves citing customs regulations and issued orders for suspension of shipments containing mobile phones of LG. It led to large number of shipments held-up at Mumbai Port causing dislocation and disruption in production line and execution of orders in hand by LG.



Being pushed on back-foot and against the wall, LG India petitioned Delhi High Court through INTTL ADVOCARE, IP Attorneys, questioning the very jurisdiction and proprietary of the customs authority to interdict the shipments of LG on ground of alleged infringement of patent complained of. It was argued by us on behalf of LG that law permits plea of invalidity to be decided first before the plea of infringement of patent and in view of plea of invalidity pending adjudication, customs cannot proceed with examination of issue of infringement. It was further contended by us that in case of infringement of patent, customs is merely an “implementing authority” and not “adjudicating authority”.

We further contended that patentee, in connivance with customs authorities is indulging an arm-twisting exercise which amounts to groundless threat and ought to be enjoined by a Civil Court.

The High Court of Delhi has prima facie accepted the arguments advanced by us on behalf of LG and observed that the remedy of a patentee aggrieved by the alleged infringement is to file a suit for infringement, establish its plea of infringement and obtain an order of injunction from a competent court of law. It is only after such finding that customs authorities can act as “implementing authority” and prevent import of such goods as may be infringing the patent. The custom cannot act as “adjudicating



authority”, adjudicating upon the issue as to whether or not there is infringement of patent. This jurisdiction lies exclusively with a Civil Court.

The order has provided great relief to all the members of industry against whom similar complaint of patent infringement had been filed by the same patentee before the Commissioner of Customs and whose imports were also threatened.

We bring this news to you so as to share such a significant and landmark judgment having far reaching implications in the field of border regulations affecting cases and complaints of patent infringement in India.

From:

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