

Intlectual *focus*

ISSUE – NOVEMBER, 2014



FROM THE MANAGING PARTNER'S DESK

Dear Friends,

It gives me immense pleasure to bring this newsletter to you wherein, we have made efforts to bring to your kind attention some of the interesting and significant developments in the field of Intellectual Property Laws in India in the recent past.

We bring to you vide this newsletter a significant judgment delivered by a Division Bench of the High Court of Delhi.

For this edition, we tried to assess the developments in Patent Laws through the judicial pronouncement in *Maj. (Retd.) Suresh Behl & Anr. v Koninklijke Philips Electronics* wherein it has been ruled that a patentee's non compliance with Section 8 of the Patent Act will not lead to an automatic revocation of its patent under Section 64(1)(m).

Keeping in mind the fact that Section 8 violations are increasingly being misused by parties as a tool to either deprive a patentee of its patent or as a defense to infringement action, the Division Bench judgment has far reaching implications in the manner in which a patent infringement suit would be adjudicated in India.



**Mr. Hemant Singh,
Managing Partner**

We welcome your suggestions and feedback on this newsletter. For more information and general questions about "Intellectual Focus", you can contact the Intl Advocare newsletter team at –

ipcare@intladvocare.com

SECTION 8 SAGA: DELHI DB RULES ON SECTION 8 VIOLATIONS

The Division Bench of the Delhi High Court has pronounced its judgment as of 7th November, 2014 having far reaching implications in the manner in which Section 8 violations in a patent infringement suit would be adjudicated in India. It is important for Patentees all over the world to take note of this development as it would be a crucial factor in dealing with patent infringement enforcement actions in India.

The judgment addresses the issue of whether the non compliance with Section 8 of the Patents Act (which is a mandatory provision) should result in automatic revocation of the patent under Section 64(1)(m) to determine the issue of invalidity of a patent.

The background facts relevant for understanding the issue at hand are:

In 2012, Philips (Plaintiff/Respondent) had filed a suit for permanent injunction restraining the Defendant (Appellant) from infringing its patent no. 218255 for a method of converting information words to modulated signal. In its written statement, the defendant denied the allegation of infringement and also sought to revoke the Plaintiff's patent under Section 64(1)(m) by alleging that the Plaintiff had not complied with Section 8 of Patent Act, 1970.

After the written statement was filed, the Patent Attorney of the Plaintiff informed the Patent Office vide an affidavit that certain details regarding foreign filings were not submitted during the prosecution of Patent No.218255 and requested the Patent Office to take on record a list of corresponding foreign applications. The affidavit stated that though the attorney had received instructions along with an updated status list of corresponding applications consisting of three pages from the Plaintiff, the information in relation to corresponding foreign applications that was printed on the reverse of the first page was inadvertently omitted while submitting the same to the Patent Office and that the omission was purely accidental.

The Defendant had objected on the grounds that non compliance with Section 8 of the Patents Act should result in automatic revocation of the patent under Section 64(1)(m) and the letter sent by the Plaintiff's attorney amounts to an admission of suppression of vital information, in contravention of Section 8, and hence a decree of revocation should be passed in their favour as per Order XII Rule 6 of the Code of Civil Procedure, 1908.

The Single Judge had ruled in Para 14 of its order that:

“14. It requires to be noted that while the Plaintiff does not deny that a part of the information concerning the pending foreign applications was inadvertently not disclosed, there is no admission as to the withholding of that information being deliberate or that there was willful suppression of such information. That surely would be a matter for evidence. Further, the question whether the non-disclosure of the above information contained on the reverse of the first page in the first instance before the COP was material to the grant of the patent raises a triable issue. It is not possible at the present stage for the Court to form a definitive opinion on the above aspects. If at the end of the trial the Court, after examining the evidence, agrees with the Defendants that the information that was withheld was material to the grant of the patent itself, it might proceed to revoke the patent. Alternatively, it might disagree with the Defendant and decline to revoke the patent. In other words, that determination would have to await the conclusion of the trial.

The same grounds were assailed before the Division Bench in appeal.

Affirming the order of the Ld. Single Judge, the Division Bench held that non-compliance of Section 8 does not lead to an automatic revocation of a patent. It shall be left to the discretion of the court after an examination of whether non-disclosure of material information was intentional or inadvertent. Some of the relevant observations and findings are reproduced hereinbelow:

24. A plain reading of Section 8(1) of the Patents Act which contains the expression “shall” indicates that the applicant is under an obligation to furnish to the Controller not only the information relating to the application being prosecuted by the applicant for a patent in any country outside India in respect of the same or substantially the same invention i.e. the particulars of the pending application but also to give an undertaking that he would continue to furnish up to the date of grant of patent such information from time to time in respect of the applications, if any, made in the foreign countries subsequently. The plaintiff in the case on hand has admittedly complied with the said requirement and both the statement under Section 8(1)(a) and the undertaking under Section 8(1)(b) were filed.

However, the allegation is that the plaintiff failed to furnish the details of the corresponding foreign applications in terms of the undertaking given under Section 8(1)(b) within the period of six months provided under Rule 12(2) of the Patents Rules.

25 ...A perusal of the affidavit filed by the Patent Agent enclosed with the letter dated 14.09.2012 filed before the COP shows that details of corresponding foreign applications as required under Section 8(1)(b) of the Patents Act were filed by the plaintiff with the Indian Patent Office on 17.03.1999, 13.03.2002 and 31.08.2004. However, it appears that certain information was omitted while filing the details of the corresponding foreign applications on 31.08.2004.....

27. The fact that the plaintiff filed the details of the corresponding foreign application on 31.08.2004 is not in dispute, however, the same is not the complete information and according to the plaintiff, the omission to furnish a part of the information, which is stated to be not material to the grant of the suit patent, was not deliberate. That being so, it cannot be straightaway concluded that the plaintiff had failed to comply with the mandatory provisions of Section 8(1) of the Patents Act. As rightly held by the learned Single Judge, the said question can be answered only at the conclusion of the trial.

28. Coming to the question whether the failure to comply with the requirement of Section 8 of the Patents Act would invariably lead to the revocation of the suit patent under Section 64(1)(m) of the Patents Act, we may at the outset point out that the word "may" employed in Section 64(1) indicates that the provision is directory and raises a presumption that the power of revocation of patents conferred under Section 64(1) is discretionary. Ordinarily, the word "may" is not a word of compulsion. It is an enabling word and it confers capacity, power or authority and implies discretion.

37. In the present case, it is no doubt true that it is mandatory to comply with the requirements under Section 8(1) of the Patents Act and noncompliance of the same is one of the grounds for revocation of the patents under Section 64(1)(m). However, the fact that the word "may" is used in Section 64(1) itself indicates the intention of the legislature that the power conferred thereunder is discretionary.

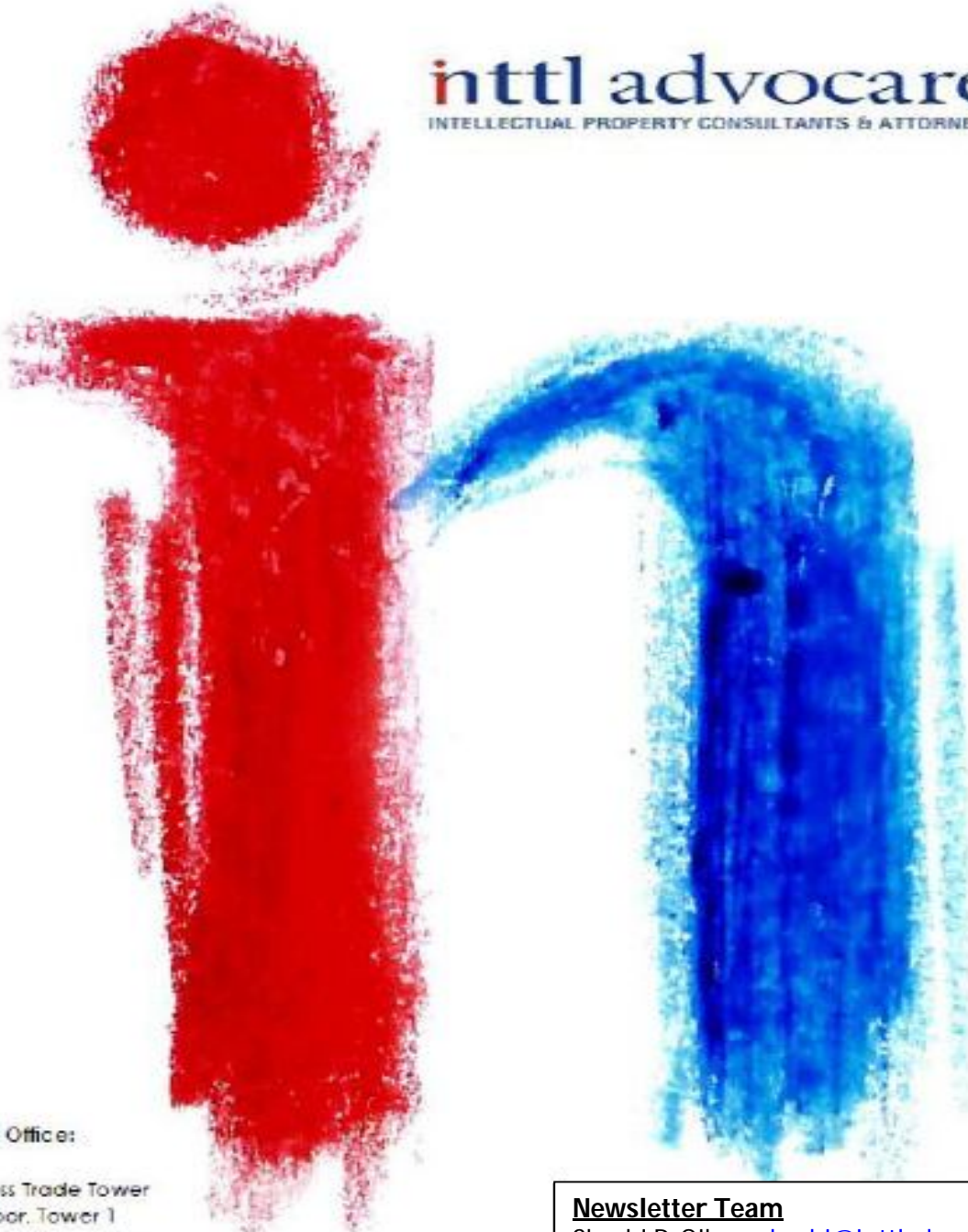
The mere fact that the requirement of furnishing information about the corresponding foreign applications under Section 8(1) is mandatory, in our opinion, is not the determinative factor of the legislative intent of Section 64(1). We found that the language of Section 64(1) is plain and unambiguous and it clearly confers discretion upon the authority/Court while exercising the power of revocation. The interpretation of the provisions of Section 64(1) as discretionary, in our considered opinion, does not result in absurdity nor in any way effect the rigour of the mandatory requirements under Section 8 of the Act.

38. Therefore, we are of the view that though any violation of the requirement under Section 8 may attract Section 64(1)(m) for revocation of the patent, such revocation is not automatic.

The ruling by the Division Bench of the Delhi High Court comes as a relief for Patentees after *Chemtura* and a number of orders from the IPAB took a tough stance on the issue of Section 8.

inttl advocare

INTELLECTUAL PROPERTY CONSULTANTS & ATTORNEYS



Head Office:

Express Trade Tower
1st Floor, Tower 1
B-36, Sector - 132
Noida Expressway, Noida 201303
National Capital Region of Delhi, INDIA
Phone +91 120 2470200 - 298 Fax +91 120 2470299
ipcare@inttladvocare.com | www.inttladvocare.com

Newsletter Team

Shashi P. Ojha - shashi@inttladvocare.com
Sanuj Das - sanuj@inttladvocare.com
Pranav Narain - pranav@inttladvocare.com
Kritika Seth - kritika@inttladvocare.com

***Disclaimer:** The views and opinions expressed herein are solely for informative purposes and do not in any manner amount to legal advice.*