

India: Patent Highlights of 2014

Author: Dr Mohan Dewan, R K Dewan & Co

The year 2014 turned many of our established patent principles on their head and unlike previous years some astounding judgments came from High Courts around the country not just from Delhi. In the beginning of the year, we had Judge Ramasubramaniam, defining various provisions of the Indian Patents Act and laying down principles on how a patent trial should be conducted and what evidence is required for a patentee in a Patent infringement suit to establish infringement of a patent¹. Not many people realized, even in the legal fraternity, that this was a judgment after full trial in a suit for patent infringement. The Madras judgment was followed by the decision in the writ petition filed by Teijin Ltd² in the Mumbai High Court which dealt with renewals in respect of patents which endorsed the power of the Controller of Patents to remedy a clerical error committed during prosecution under section 129 and 137 of the Act. From Mumbai, the scene shifted back to Chennai. In the NTT DoCoMo Inc. case³ where Justice Raja echoed the principles laid down in the Teijin case. In April 2014, Justice Manmohan Singh of the Delhi High Court had an occasion to decide upon the maintainability of a suit under the Patents Act when there were alleged discrepancies in the Recordal of an exclusive license agreement in favour of the plaintiff. Justice Manmohan Singh refused to dismiss the suit without completion of the Recordal proceedings⁴. In

¹ M.C.Jayasingh vs Mishra Dhatu Nigam Limited High Court Of Madras Civil Suit No. 562 of 2007

² Teijin Limited V. Union of India & Others 2014(3)ABR124, AIR2014Bom68, 2014(3)ALLMR599, 2014(4)BomCR208

³ NTT DoCoMo Inc. V. The Assistant Controller of Patents and Designs (2014)4MLJ168

⁴ Sergi Transformer Explosion Prevention Technologies Pvt Ltd V. Kumar Pratap Anil & Ors DLHC CS(OS) No.1610/2010

a further judgment, thereafter, in an appeal filed by 3M⁵ against Venus Safety Justice Manmohan Singh while refusing to grant an injunction to the plaintiff held that “A slight trivial or infinitesimal variation from a pre-existing invention would not qualify to be a valid invention”. Once again in Sandeep Jaidka vs. Mukesh Mittal⁶, Justice Manmohan Singh refused to grant an interim injunction in respect of patent infringement where admittedly the plaintiff was not working the patent.

June saw the Supreme Court deciding once and for all in Aloys Wobben vs. Yogesh Mehra⁷ that a defendant in a patent infringement suit could only use one of the remedies available under the Patents Act to attack the validity of a patent. These remedies include filing a post grant opposition under Section 25, a revocation action under Section 64 and a counter claim for revocation in a suit for infringement. However, inadvertently, the Supreme Court also reduced the useful life of a granted patent by one whole year when it stated that an infringement action cannot be initiated in the first year, when a patent was still open to challenge under a post grant opposition. In July, the scene moved back to Mumbai where in the Bayer Corporation case⁸, Justices Shah and Sanklecha upheld the Controller of Patents order and the IPAB order in the Bayer vs. Natco Saga for the compulsory license in respect of the cancer drug popularly known as Nexavar. An important side finding was that it was not mandatory for establishing working in India that a patented drug had to be manufactured in India. Bayer appealed from this judgment to the Supreme Court but at the

⁵ 3M Innovative Properties Company & Anr V. M/S Venus Safety & Health Pvt Ltd & Anr DLHC CS(OS) No.2558/2013

⁶ Sandeep Jaidka V. Mukesh Mittal & Anr DLHC CS(OS) No.1900/2010

⁷ Dr. Aloys Wobben and another V. Yogesh Mehra and others AIR2014SC2210, 2014 (5) AWC 4486 (SC), (2014)3CALLT1(SC), 2014(4)CDR785(SC), JT2014(7)SC291, MIPR2014(2)101, (2014)5MLJ90(SC), 2014(59)PTC1(SC), 2014(7)SCALE536, 2014 (7) SCJ 252

⁸ Bayer Corporation V. Union of India & Others 2014(5)ABR242, AIR2014Bom178, MIPR2014(3)53, 2014(60)PTC277(Bom)

end of the year the compulsory license granted in favour of Natco was not disturbed. It appears that what swayed each of the adjudicators against Bayer was Bayer's refusal to provide details of R&D costs incurred that were asked for by the Courts and its apathy towards selling the product in India.

Some important issues in qualifying who can be considered as an expert in leading evidence in patent suits was discussed in two cases in the year. In the first case, *Vringo vs. IndiaMart*⁹, Justice Shali of the Delhi High Court pointed out that a witness who is not an Indian Patent Agent cannot be considered as an expert to give an opinion whether an Indian Patent is infringed in India. Further, a self favouring admission by the plaintiff cannot be considered relevant under Section 21 of the Evidence Act. To be considered as an expert, Justice Shali suggests two conditions. Firstly, the expert should have at least a basic degree in the field and in addition should have some research work conducted by him in that area. A generalist 'cannot be considered as an expert in that field'. Further, Justice Shali equated the qualifications of an expert in a field to be commensurate with the qualifications for a scientific advisor as provided in Rule 103 of the Patents Rule. The second case on the subject was decided in Calcutta, later, in the year in November; Justice Mukerji in *Rajesh Kumar Banka vs. Union of India*¹⁰ gave an opinion on the qualities of an expert witness. The expert witness in this case, relating to a plastic sealing device, was a B.Tech in polymer technology. Justice Mukerji came to the conclusion that in these matters Section 45 of the Indian Evidence Act pointed in the right direction and such a person should be especially skilled in the field and that such a witness's testimony is always open to cross examination. There was a further ratio that a Court should not turn into an expert in which it has no

⁹ *Vringo Infrastructure Inc. & Anr. V. Indiamart Intermesh Ltd. & Ors.* DLHC C.S. (OS) No.314 of 2014

¹⁰ *Rajesh Kumar Banka V. Union Of India & Ors.*, High Court of Calcutta W.P.No.19610(W) of 2011

competence. In the case of Salzer Electronics limited vs. SG controls¹¹, the Appellate Bench of the Madras High Court was required to deal with the lower Courts order refusing an interim injunction. The bench while setting aside the lower Courts order stated that an order dismissing an interim injunction must be a reasoned order without expressing any opinion on merits and must take into account all the details and facts. The order should give adequate reasons for refusing an interim injunction.

As in earlier years, pharmaceutical patents were also the subject of patent disputes. There was a judgement in Novartis vs. Ranbaxy in respect of Vida Gliptin in which Ranbaxy was temporarily restrained. The Single Judges Order was appealed against and the appeal bench's order confirmed the interim injunction¹². Merck Serono¹³ succeeded in overturning the abandonment order of the Controller of Patents and in the appeal filed by Bristol-Myers vs. Mylan Labs in respect of the drug Atazanavir, Mylan Labs was permitted to export the drug to Venezuela but was asked to maintain accounts and deposit 5% of the revenue it received in Court till the disposal of the suit. At the end of the year, in the Gharda Chemicals Limited case¹⁴, the Bombay High Court dropped a bomb shell when it stated that employees' inventions do not automatically belong to the employer.

¹¹ Salzer Electronics Limited V. S. G. Controls & Switchgear (P) Ltd High Court of Madras O.S.A.Nos.413

¹² Ranbaxy Laboratories Ltd. V Novartis Ag & Anr DLHC FAO(OS) 447/2014

¹³ Merck Serono S. A. V. Union of India 2014(60)PTC116(Del)

¹⁴ Darius Rutton Kavasmaneck V. Gharda Chemicals Limited & Others