Newsletter

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News From the Controller General of Patents, Designs and Trade Marks(CGPDTM)

Proposal to amend Patents Rules 2003

The Draft Patents (Amendment) Rules, 2015 ("the Rules") have been published by the Government of India, Ministry of Commerce and Industry (Department of Industrial Policy and Promotion) *vide* notification dated October 26, 2015 and objections/suggestions have been invited from the stakeholders.

Key highlights of the draft Rules are:

- It is mandatory to provide an email address as well as a mobile number by the applicant/agent while filing the patent application. This has two fold advantage *viz.* faster as well as paperless communication (Rule 5).

- Provision for refund of fees, especially in case of withdrawal of application after filing the request for examination. In such a case, fees paid for Request for Examination may be refunded (sub-rule 4 of Rule 7).

- Speedy examination of divisional applications. In case a parent application has already been examined, then the divisional application will be examined immediately upon filing of the request for examination (Proviso to clause (i) of sub-rule 2 of Rule 24B).

- Reduction in time period for putting the application in order for grant. As per the draft Rules, the applicant has to comply with the requirement/s stated in the First Examination Report within four (4) months from the date of its issuance (sub-rule 4 of Rule 24B). Further, this deadline of four (4) months may be extended for two (2) months on payment of prescribed fee (sub-rule 5 of Rule 24B).

- Deadline imposed on the Controller to dispose of the application within six (6) months from the date of receipt of the reply to the First Examination Report or from the last date to put the application in order for grant, whichever is earlier (sub-rule 6 of Rule 24B).

- Specific provision to expedite examination of applications (Rule 24C).

- Hearings can be convened through video-conferencing or other communication devices (sub-rule 6 of Rule 28).

- A certificate of renewal of the patent will be issued each time renewal fee is paid (Rule 93).

Proposal to usher in new Trade Marks Rules

The Draft Trade Marks Rules, 2015 ("the Rules") which are likely to repeal the existing Trade Marks Rules, 2002 have been published by the Government of India, Ministry of Commerce and Industry (Department of Industrial Policy and Promotion) *vide* notification dated November 17, 2015 and objections/suggestions have been invited from the stakeholders.

The proposed Rules are a significant step forward towards inter-weaving trade mark practice/procedure at the Trade Marks Registry with technology. The newly introduced measures/provisions with reduced number of Forms (for multiple purposes), encouraging e-filing and paperless communication, and specific requirements for sound marks are amongst several facets that deserve an applause. The main changes are:

- 8 new Forms to replace all the 'Old' Forms. Since each Form will now be used for multiple purposes, the templates are detailed and slightly complicated from the current versions (Second Schedule).

- Fees for almost all activities increased two-fold. Differential fee for online and physical filing (First Schedule).

- Definitions of Divisional Application, Graphical Representation, Journal, Publish – amended; and Authenticated – inserted (Rule 2(e), (i), (l), (m) and (r)).

- In case of online filing, signing by 'digital signature' has been recognized (Rule 13).

- Old Form TM-48 (Authorisation of Agent) replaced by Form TM-M and Power of Attorney. No format prescribed for Power of Attorney. In case of withdrawal/revocation of authorization, 'address for service' should be provided within two months, else application/opposition will be deemed abandoned (Rule 20).

- No amendment of use post-filing. Specific provision for filing an application for sound mark (reproduction to be submitted in MP3 format not exceeding 30 sec length) [Rule 27(5)]. Provision in respect of submitting fee for excess characters i.e. Form TM-61 deleted.

- Expedited processing of Application envisaged not only in terms of examination (three months) but also hearing, publication, opposition, etc. Fee payable is five times the application fee (Rule 35).

- Counter Statement may be filed on the basis of the Notice of Opposition uploaded in the online records. In such case, the Notice of Opposition will not be served. Exhibits (in Evidence) are required to be served on the other side. Requirement for filing a notice to express intention to attend the hearing (Form TM-7) done away with (Rules 43-52).

- Requirement of sending a copy of the notice (of Non-Completion of Registration) to the Applicant by the Registrar in case the applicant has an authorised agent done away with. The notice is now needed to be sent to the authorised agent only (Rule 53).

- The proposed Rules expressly provide for requirement of an affidavit that no litigation relating to proprietorship of trade mark is pending in any Court of law or Tribunal for recordal of assignment/transmission (Rule 77).

- A new provision has been incorporated in the proposed Rules which provide for determination of Well-Known Trade Mark by the Registrar on an application filed with the prescribed fee and supporting documents/evidence (Rule 127).

Recruitment drive of Patent Examiners

Reportedly, the Department of Industrial Policy and Promotion(DIPP) of the Ministry of Commerce and Industry has initiated action with a view to reducing the time taken in getting approval for a patent application from the existing 5-6 years to 15 months by recruiting additional patent examiners (which may go up to 263) to examine the patent applications, a process which usually takes 18 months. It is intended that examiners shall also be recruited on a contractual basis to expedite the process. This move is likely to give a push to innovation and encourage patent registration in the country.

Special Courts and procedure for Commercial Causes: Ordinance promulgated on October 23, 2015

The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Ordinance, 2015 aims to achieve speedy and effective resolution of "commercial disputes" including those arising out of intellectual property rights relating to registered and unregistered trade marks, copyright, patent, design, domain names, geographical indications and semiconductor integrated circuits.

The Ordinance provides for establishment of Commercial Courts by State Government (there are 29 states in India). In territories where the High Court is vested with original jurisdiction, Commercial Division will come up within such High Court. Further, Commercial Appellate Division will be constituted to hear appeals from Commercial Courts/Commercial Division. The Ordinance requires that judges of Courts be experienced in dealing with such disputes.

The Courts trying such disputes will employ the now amended Code of Civil Procedure to assist in efficient decision taking and deterring practices which pull back delivery of justice. The amended Code prescribes (a) new form and manner of affidavit for verification of pleadings which contain a statement with respect to disclosure of all documents; (b) case management hearings wherein the Court would fix time lines for recordal of evidence, filing of written arguments and concluding oral arguments, filing of evidence of all witnesses at one go, day-to-day recordal of evidence, closure of arguments within six months; (c) stern consequences for failure to abide by time lines including foreclosing the right to adduce evidence, arguments and even dismissal; (d) streamlined disclosure, discovery, inspection, admission and denial of documents; (e) possibility of summary judgment (without recording oral evidence) where any of the parties is unlikely to succeed/defend; and (f) award of reasonable costs for the fees and expenses of the witnesses, legal fees and other expenses.

Commercial Courts/Commercial Division will have jurisdiction to try all suits and applications pertaining to commercial dispute of a specified value *(subject matter of which is not less than INR 10 million (USD 160,000) or such higher value as may be notified by the Central Government)*. Specified value is determinable on the basis of the nature of relief sought i.e. money to be recovered, market value of the movable or immovable property in question and where the relief relates to any other intangible right, its market value. However, no guidance on determining 'market value' or valuation of the claim for the purposes of court fee has been given. The Ordinance requires that all concerned suits and applications of specified value pending in a Civil Court/High Court be transferred to the Commercial Court/Commercial Division.

In this regard, it is pertinent to mention that the Delhi High Court, by virtue of notice dated November 18, 2015, has notified that "Commercial Division" and "Commercial Appellate Division" of the High Court have been constituted in terms of the Ordinance. Further, the notice acknowledges two orders dated November 06, 2015 passed by the Hon'ble Chief Justice which stipulate that:

1. Suits/applications which are valued at INR 20 million (USD 320,000) or less, shall be filed at the concerned District Court and cases where the jurisdictional values exceed INR 20 million, they shall be presented to the High Court.

2. Suits/applications relating to commercial dispute valued at INR 10 million or more shall be presented to the High Court to be heard and disposed by the Commercial Division.

Delhi High Court (Amendment) Act, 2015 comes into force

The Delhi High Court (Amendment) Act, 2015 [the Act] has come into force from October 26, 2015 upon publication of a notification in the Official Gazette. The net effect of the Act is that the pecuniary jurisdiction of the Delhi High Court has been increased from INR 2 million (approx. USD 32,000) to INR 20 million (approx. 320,000).

A notice has been issued in this regard by the Delhi High Court directing all suits/applications which are not valued at more than INR 20 million to be presented to the concerned district court and value of which exceeds INR 20 million, to be presented in the High Court with effect from October 26, 2015. Further, the issue of transfer of existing cases has also been addressed *vide* Office Order dated November 24, 2015 issued by the Delhi High Court. The Office Order lays down the following:

a) All suits/ other proceedings pending on the Original Side up to the value of INR 10 million, excepting those cases in which final judgments have been reserved, shall be transferred to jurisdictional subordinate courts.

b) All pending suits/ other proceedings on the Original Side the value of which exceeds INR 10 million but does not exceed INR 20 million, other than those relating to commercial disputes the specified value of which is not less than INR 10 million (as defined in The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Ordinance, 2015), excepting those cases in which final judgments have been reserved, shall be transferred to jurisdictional subordinate courts.

In sum, existing lawsuits involving claims of less than INR 20 million (except for suits/proceedings relating to commercial disputes the specified value of which exceeds INR 10 million) will be transferred to the District Courts at Delhi and fresh suits (except relating to commercial disputes of value exceeding 10 million) will have to be initiated before the District Courts (and not the High Court).

Court upholds Merck's Sitagliptin as a Patent

Merck Sharp and Dohme Corporation (MSD) and Anr., the plaintiffs, sought injunction against the defendant, Glenmark Pharmaceuticals Ltd. (Glenmark) alleging violation of their patent rights vested in ‘Sitagliptin’ (Indian Patent No. 209816 granted on September 6, 2007), a drug used in the treatment of Type II diabetes. MSD, a New Jersey incorporated company had been importing and selling the drugs under the trade marks JANUVIA and JANUMET in India since 2008.

The plaintiffs alleged that the defendant’s act of manufacturing, selling, offering for sale and advertising the pharmaceutical compositions, Sitagliptin Phosphate Monohydrate under the brand “Zita” and Sitagliptin Phosphate Monohydrate and Metformin Hydrochloride under the brand name “Zita-Met” amounts to infringement of the plaintiffs’ suit patent. These were contended as a generic version of plaintiffs’ drugs JANUVIA and JANUMET whereas defendant argued that the suit patent disclosed the products Sitagliptin and Sitagliptin Hydrochloride and that,Sitagliptin Phosphate Monohydrate is a different chemical entity, which is neither covered nor subsumed in the suit patent. The plaintiffs stressed on the fact that Sitagliptin and Sitagliptin Phosphate are same and defendant’s act of creating Sitagliptin Phosphate Monohydrate is infringement of its patent. The defendant also contended that plaintiffs’ conduct is contrary to their stand as they had filed a separate application for registration of patent for Sitagliptin Phosphate Monohydrate (which had been abandoned in India). The Court stated that similarity of pharmaceutical compositions cannot be a ground for infringement. It further stated that an argument that should have been raised by the plaintiffs is that the defendant’s product was a product of plaintiffs’ patent and the creation of Sitagliptin Phosphate Monohydrate is not possible without Sitagliptin.

The defendant, as a counter-claim raised a plea of revocation of patent on grounds included under section 64 of the Patent Act, 1970 (hereinafter referred to as ‘the Act’), namely:

a) Lack of inventive step-section 64(1)(f)

b) Lack of industrial applicability-section 64(1)(g)

c) Insufficient disclosure and broad claims-section 64(1)(h) and (i)

d) False suggestion or representation on the part of the patentee-section 64 (1)(j)

e) Non-disclosure of subsequent applications; failure to comply with section 8-section 64(1)(m)

The defendant raised the following arguments in support of the above claims:

1. Patent '816 is obvious in comparison to other patents dealing with DPP-4 inhibitors and other patents dealing with Sitagliptin compounds.
2. Sitagliptin free base, as covered by the patent '816, is unstable and incapable of being delivered as a drug.
3. The act of MSD applying for a separate patent application for Sitagliptin Phosphate Monohydrate and its omission to disclose the same violates the Act.
4. The claims of MSD's patent '816 are broad and do not clearly disclose the elements of Sitagliptin Phosphate. The defendant contended that the claims were embodied in Markush structures which could cover a billion compounds within the broad class claimed.

The Court denied each of the above arguments and upheld the validity of the plaintiffs' patent. It held that Markush structures have been accepted in pharmaceutical claims and the claims cannot be concluded to be insufficiently disclosed or broadly worded. Further, it analysed the subsequent patent application made by MSD to register Sitagliptin Phosphate Monohydrate and observed that the same was declined registration because of section 3(d) of the Act.

Further, the defendant also argued that the word 'may' in section 64 must be read as 'shall' and hence the power of revocation of patent given to the Court is mandatory, if any of the provisions of the Act are violated. The Court rejected this contention and concluded that the power to revoke a patent is discretionary by relying on *Maj. (Retd.) Sukesh Bhel and Anr*. V.*Koninklije Phillips Electronics*, where such an argument had been rejected by the Division Bench.

Further, public interest arguments were raised by the defendant where it contended that injunction must not be granted in order to ensure access to drugs. This argument was also negated and the Court observed that merely because the defendant was making available a tablet at a lower price than the plaintiffs' cannot be made a ground to decline injunction against the defendant, who has been found to have been infringing the invention of the plaintiffs. Based on the above findings, the Court granted permanent injunction to the plaintiffs and also upheld the validity of the patent.

Label excluded from the Designs Act

The appellant, Midas Hygiene Industries Pvt. Ltd. claimed to be pioneers in insecticides and pesticide production in the form of chalks in India, launched commercial activity under the trade marks "Krazy Lines" and "Laxman Rekha" in 1989. The trade marks were registered in 1991 and the packaging material of the products was registered under the Copyright Act. The respondent, Sudhir Bhatia, started the production of identical chalks under the identical trade marks, pursuant to which a legal notice was served upon him by the appellant. Later, an agreement was signed between the parties which was breached by the respondent and then by the appellant. Thereafter, the appellant initiated a suit which resulted in restraining the respondent from using the aforesaid trade marks during the pendency of the suit. Dissatisfied, the respondent filed a rectification petition before the Copyright Board, seeking cancellation of the copyright vesting in the artworks for "Laxman Rekha" and "Krazy Lines" claiming to be the rightful proprietor of the said trade marks and challenging the registrations on several grounds such as non-compliance with Rule 16 of the Copyright Rules, 1958; lack of originality in the artistic works; lack of proper assignment between the appellant and its predecessor-in-title.

The Board ordered cancellation of the copyrights on the ground that the appellant's registration *vis-a-vis* the artistic works, in respect of which it had copyright, was capable of design registration and consequently, the omission to apply for and obtain design protection resulted in the cessation of copyright. In doing so, the Board relied on the ruling of the Division Bench of the High Court in *Microfibres v Girdhar*. It was held that the copyrights of the appellant ceased the moment it used the artistic works for the purpose of the packaging, which was capable of design registration.

The appellant challenged the order of the learned Copyright Board by way of appeals under section 72 of the Copyright Act, 1957 and averred that the Board wrongfully applied section15(2) of the Copyright Act resulting in erroneous cancellation of its copyrights. It was submitted that the use of the copyright as label while packing products (i.e. insect-repellent chalk) did not render the packaging a 'design' which was compulsorily registrable. There was nothing unique or novel in the packaging over which the label was printed that warranted design registration. It was further contended that the considerations are entirely different when it is asserted that designs which embody copyrights are also to be treated as capable of design protection. Such eventuality is possible only if the artistic work in the design i.e. the article itself is capable of embodiment.

The interplay between the three intellectual property rights *viz.* copyright, trade mark and design was discussed along with much talked about section 15(2)of the Copyright Act. section 15(2) envisages that where copyright in a design is capable of registration under the Designs Act, and is not so registered, as soon as the article to which such copyright is applied, is produced more than fifty times through an industrial process, the copyright shall cease to exist. Copyright protection is to the original *expression* of an idea. Trade marks protect the *distinctiveness* of a mark, a logo, a symbol, and its association with a product or service. They are *"badges of origin"* which act as markers for the consumer to identify the source of goods or services (*Aristo Ltd. v Rysta Ltd.*). Design rights, on the other hand, protect novelty of the *design elements (shape, presentation, etc)* of an article: it is significantly based on the visual appeal of the product or article. section 2(a) of the Designs Act excludes “an artistic work” from the definition of “design”; section 2(1)(m) of the Trade and Merchandise Marks Act defines “mark” as including “a device, brand, label, ticket, name, signature, word letter or numeral or any combination thereof” and section 2(1)(l) of the same Act defines “package” as “any case, box, container, covering, folder, receptacle, vessel, casket, bottle, wrapper, label, band, ticket, reel, frame capsule, cap, lid, stopper and cork.” Thus, indicating that the impugned trade marks “Krazy Lines” and “Laxman Rekha” fall within the purview of the Trade and Merchandise Marks Act.

The Court held that in the present case, the subject work is a label. According to the respondent it is an artistic work. However, that it answers the description of “an artistic work” is sought to be supported by the classification of various products and articles in the third schedule to the Designs Rules. There is no express indication in the Rules that a label fixed or printed on a container, or a container or package on which a label amounting to an artistic work is printed becomes capable of registration. In any case, the statutory definition of designs excludes "artistic work" and labels used as trade marks. This aspect - that labels cannot be "designs" and are artistic works for copyright purpose and also entitled to trade mark protection- has been held in at least three decisions of various High Courts – Andhra Pradesh, Bombay and Delhi. The Court observed that apart from the fact that the work in the present case was copyrighted as an artistic work and thus stood excluded from the definition of design and that it cannot also qualify for design registration.

Accordingly, the Court set aside the decision of the Board that the appellant’s copyright registrations have to be cancelled or cannot stand and remitted the matter to the Board for fresh hearing on other grounds urged in the rectification petition since the Board had not returned any finding.

‘Ramayan’ not registrable

The Supreme Court recently held that no person can have exclusive rights through registration over the name of a holy or religious text book for goods or services marketed by him.

The appellant, Shri Lal Babu Priyadarshi, trading as M/s Om Perfumery had filed an application for registration of a mark “RAMAYAN’ with the device of crown in Class 3 in respect of incense sticks and perfumeries, etc. The respondent, Shri Amritpal Singh, was a dealer of the products of the appellant and trading as M/s Badshah Industries. The respondent had filed a Notice of Opposition to oppose the registration of the appellant’s mark under sections 9, 11(a), 11(b), 11(e), 12(1), 12(3) and 18(1) of the Trade and Merchandise Marks Act, 1958. The respondent claimed that the impugned mark, being the name of a religious book, cannot become the subject matter of monopoly for an individual.

The Assistant Registrar dismissed the respondent’s opposition and held that the mark consisting of the device of crown and the word ‘RAMAYAN’ is capable of distinguishing the goods of the appellant and not included in the list of marks not registrable under the Act. Aggrieved by the order of the Assistant Registrar, the respondent appealed to the Intellectual Property Appellate Board (hereinafter ‘the Board’), which set aside the order of the Assistant Registrar. Thereafter, being aggrieved by the order of the Board, the appellant filed an appeal in the Supreme Court (hereinafter ‘the Court’) by way of special leave.

The sole question for consideration before the Court was whether the registration of the word “RAMAYAN” as a trademark, being the name of a holy book of Hindus, is prohibited under section 9(2) of the Trade Marks Act, 1999 (hereinafter ‘the Act’)?The arguments advanced by the appellant revolved around prior user rights and acquired distinctiveness. The appellant produced evidence before the Court to show that the mark has been widely advertised and the same coupled with excellent quality, wide coverage and extensive use had acquired distinctiveness whereby the consumers had started associating the goods with the mark in question. It was also contended that the mere fact that the trade mark, being the name of the religious book, cannot be a sufficient ground for refusal of registration under section 9(2) of the Act and is not based on evidence on record that the feelings of any section of the Hindus having been hurt by its use in relation to incense sticks. Further, an absence of express prohibition on registration of marks such as the mark in contention was also relied upon.

The respondent rebutted these arguments by stating that the impugned mark, being the name of a religious book, cannot become the subject matter of monopoly for any individual. He further contended that the mark ‘RAMAYAN’ is not distinctive mark and is devoid of any distinctive character. It was further claimed that more than 20 traders in the same territorial region and many more have been using the impugned mark and thus it has become *publici juris*. It was also argued that the impugned mark was similar to that of the respondent’s mark that was pending registration and there is likelihood of confusion amongst the public if the impugned mark was registered.

The Court held that using exclusive name of the book ‘RAMAYAN’ for getting it registered as a trade mark for any commodity could not be permissible under the Act. If any other word is added as suffix or prefix to the word ‘RAMAYAN’ and the alphabets or design or length of the words are same as of the word ‘RAMAYAN’ then it may lose its significance as a religious book and it may be considered for registration as a trade mark. Reliance was placed on the decision of the Supreme Court in *National Bell Co. vs. Metal Goods Mfg. Co. (P) Ltd. and Anr.* where it was held that the distinctiveness of the trade mark in relation to the goods of a registered proprietor of such a trade mark may be lost in a variety of ways, e.g. by the goods not being capable of being distinguished as the goods of such a proprietor or by extensive piracy so that the marks become *publicijuris*. The same principle is also statutorily provided under section 32(c) of the Trade and Merchandise Marks Act, 1958. It was thus decided that the impugned mark, being used by over 20 traders in that region for similar goods has become *publicijur is* and common to the trade.

The Court concluded by upholding the order of the Board and held that the mark cannot be granted registration on account of it being the name of a religious book, having similarity with the mark of the respondent, and being devoid of any distinctive character due to the wide usage of the impugned mark by other traders.

Pidilite Industries Limited and Anr. V. Vilas Nemichnd Jain and Anr

Plaintiffs *viz.Pidilite Industries Limited* (plaintiff no. 1) and *Hardcastle and Waud Manufacturing Co. Ltd*. (plaintiff no. 2) initiated a passing off action against *Vilas Nemichand Jain and Anr*. (defendants). The mark in dispute being LEAKGUARD with both plaintiffs and defendants using it for solvent cements and similar chemicals and compounds.

The plaintiffs claim prior user rights as they contend that the plaintiff no. 2 started using the mark in 1999 in respect of solvent cement as a liquid chemical. The plaintiff no. 2 had also filed for registration, on 29th April 1999, of a label mark containing "LEAKGUARD" along with "HOLDTITE", for use in relation to industrial chemicals (registered with a disclaimer of LEAKGUARD), and in 2001 started using the expression LEAKGUARD specifically for joining various kinds of pipes such as PVC, CPVC, and the like. Further, in February 2008, plaintiff no. 2 assigned all its rights, title and interest in respect of the mark in dispute to the plaintiff no. 1 in terms of the Deed of Assignment. The plaintiffs submitted various financial records as evidence to prove that between 2001 to 2008 their trade literature was widely circulated.

The defendants claim to have started using the mark LEAKGUARD in April 2005 and applied for registration of the same as a trade mark in February 2008 with use claimed since 2000 (later applied for an amendment to April 1, 2005). But the defendants withdrew their application eventually.

Dispute arose in 2009 when the plaintiffs requested the defendants, by a cease and desist notice, to give up the use of the mark, but they refused to do the same. Subsequently, suit was filed by the plaintiffs in July 2010 along with the notice of motion for a restraining order against the defendants.

The Court was required to deal with an issue of law i.e. whether in an action based not on a registration but only on passing off in relation to a descriptive mark on plaintiff being able to show prior user and acquired reputation will it *ipso facto* be entitled to injunction? Would the plaintiff be also required to show that the descriptive mark has acquired a secondary meaning?

The Court, in order to answer the issue, analysed the following:

1. Prior use, as claimed by the plaintiffs;
2. Secondary meaning and distinctiveness;
3. Consumer deception.

There were primarily two arguments raised by the plaintiffs.

a) Prior use;
b) Acquired distinctiveness.

The defendants refuted the arguments by stating that in case of a descriptive mark, mere prior use (expressly since the evidence of user is scanty) is not sufficient to establish a claim in passing off. Along with use, the descriptive mark must have also became distinctive and acquired a 'secondary meaning' i.e. an image in the minds of the consumer that the mark is being used specifically for the product.

Reliance was placed on the Supreme Court judgment in *Godfrey Philips India Ltd. V. Girnar Good and Beverages (P) Ltd.*, where it was held that a descriptive mark may be entitled to protection if it has assumed a secondary meaning that identifies it with a particular product or as being of a particular provenance. Therefore, mere evidence of extent of use in the form of invoices, financial figures of sales etc. might perhaps show use or even increased use, but something more is necessary to show that the use is such that the mark has become distinctive. The Court also laid emphasis on *Marico Ltd v Agro Tech Foods Ltd*, where it was held that when the use of a descriptive mark is undisturbed for a very long period of time without anyone else attempting to use that mark during that period, then it can be said that a case has been made out of the descriptive word having achieved distinctiveness and a secondary meaning. But, the same was not established by the plaintiffs. Further, the Court also did not find any evidence of deception or confusion or market surveys.

The defendants had also pleaded acquiescence on part of the plaintiffs to which the Hon'ble Judge held that mere delay will not defeat the plaintiffs' cause. The Court found it difficult to believe the plaintiffs' contention that they learned of the defendants' use only in 2009. *"Given that the use by the Defendants has been open and without any attempt at concealment, I do not think that the statement made by the Plaintiffs that they only learnt of the Defendants' user in 2009 is one that should receive ready acceptance at this prima facie stage"*. The Court took into consideration that and *ad interim* injunction was not operating against the defendants and plaintiffs were unable to establish prima facie case and balance of convenience in their favour. Accordingly, the Notice of Motion dismissed by the Court.

Appeal of Roche partially allowed

Roche Ltd. had filed an application for grant of patent in USA pertaining to Erlotinib Hydrochloride, a drug used to treat non-small cell lung cancer (NSLC), pancreatic cancer and several other types of cancer, which was granted in 1998. During the pendency of the aforesaid application, it filed a patent application in India for the same molecule which was granted *vide* IN '774 in 2007. The marketable physical form of the molecule comprised Polymorph A and B.

Being aware of Cipla's intention to launch a generic version of Roche's drug based on IN '774 in January, 2008, Roche moved the Court, seeking to injunct Cipla from marketing 'Erlocip'. However, its plea of interim injunction was dismissed by the learned Single Judge. On appeal, the Division Bench upheld the decision of the Single Judge. The Division Bench delved into the decision of the Single Judge and observed that Cipla had demonstrated credible challenge to the validity of IN '774. The Special Leave Petition filed by Roche was also dismissed. The suit, meanwhile progressed to trial. The Single Judge dealt with two main issues in the impugned decision:-

Whether Roche's IN '774 patent stands to be revoked;
Whether Cipla's manufacture of 'Erlocip' infringes Roche's IN '774 patent.

On the question of Roche's IN '774, Cipla contended that IN '774 lacked inventiveness. This was for two main reasons – firstly, that the closest prior art to IN '774 was Example 51 of EP '226 (admitted as prior art in the IN '774 specification) and that the two had extremely materially similar structures. Cipla pointed to the fact that not only did the IN '774 specification fail to disclose how it was inventive over Example 51 but also that multiple examples cited in IN '774 were specifically disclosed in EP '226, which was compelling evidence that IN '774 was more combination and less innovation. Secondly, Cipla claimed that only meaningful difference between IN '774 and Example 51 of EP '226 was the substitution of a methyl group with ethynyl at the third meta (3') position- a change which was minor and anticipated by prior art which suggested that methyl/ethynyl substitution could be affected with no categorical loss of efficacy. Cipla, further invoked section 3(d) challenge to the validity of IN '774 on the basis that Roche had unsuccessfully applied for a 'Polymorph B' form of Erlotinib Hydrochloride (DEL '507).

Roche argued against the above contentions of Cipla by relying upon the comparative efficacy of IN ‘774 versus Example 51 of EP ‘226. It was submitted by Roche that Example 51 of EP ‘226, which was not even in the top five nearest references to IN ‘774 in terms of inhibitory concentration value disclosed by EP ‘226 should not be treated as the point of departure in the inventive step analysis. EP ‘226 actually teaches a methyl/ethynyl substitution at the 6, 7 – position and not at the 3’ position and there are several appreciable differences in bond angle, bond length and bond strength and the type of reaction with EGFR kinase between methyl and ethynyl group that make the methyl/ethynyl substitution ostensibly inventive. Further, Cipla‘s drug was also Erlotinib Hydrochloride and that manufacture of Polymorph B by Cipla was sufficient to trigger infringement of IN ‘774. Any process involved in making Polymorph B would first involve the preparation of a combination of Polymorphs A and B; even US ‘221 states that Erlotinib Hydrochloride in Polymorph B form results from re-crystallization of Erlotinib Hydrochloride using different solvents and temperature conditions.

Cipla also sought revocation of suit patent for violation of section 8 of the Patents Act. According to Cipla, section 8 casts an obligation upon the patentee to disclose particulars of application in foreign country of ‘same or substantially the same invention’ to the Controller and the same is a continuing obligation coupled with a duty to disclose. It was contended that section 8 is a mandatory provision, non-compliance whereof results in revocation of the patent under section 64 of the Patents Act. It contended that assuming Roche believed Polymorph B of Erlotinib Hydrochloride to have been covered in the suit patent, thus considering it to be “same and substantially the same” as the suit patent, then it ought to have disclosed before the patent office while prosecuting its application resulting in IN `774 that it had filed an application for grant of patent for Polymorph B of Erlotinib Hydrochloride resulting in US `221 which fact was not disclosed. Cipla urged that while the patent sought to be enforced is for Polymorphs A+B, the product actually under manufacture by both Roche and Cipla is Polymorph B which ought to be assumed to be in the public domain and hence, its activities are non-infringing in nature.

In response to the above contentions, Roche argued that there are no pleadings or material particulars to show that the suit patent was violated the disclosure requirements as mandated by section 8. Further, non-filing of the details of the application resulting in the grant of patent US ‘221 by Roche is attributable to the *bona fide* belief that the application resulting in the Patent US ‘221 is not same or substantially the same compound. Noting the distinction between a mandatory rule and a directory rule, it was observed that section 64(1) is directory in nature and thus non application of section 8 would not automatically result in revocation of the patent. The Court further held that it was a case of substantial compliance on the part of Roche. Cipla’s pleas of invalidity on grounds of obviousness was also turned down as it could not establish that the suit patent was obvious.

As regards infringement of the suit patent, Roche contended that the basic patent was not confined to any polymorphic form of Erlotinib Hydrochloride and hence as long as Erlotinib Hydrochloride is present in Cipla’s product, it infringes the suit patent. In view of the arguments presented by Roche and Cipla, the High Court of Delhi affirmed the impugned judgement and decree passed by the learned Single Judge insofar as dismissal of counter claim filed by Cipla seeking revocation of IN ‘577 was concerned and set aside the impugned decision dismissing suit for injunction filed by Roche. However, the Court refused to grant injunction against Cipla due to the fact that the life of the patent in favour of Roche would expire in India in 2016. It was directed that the suit filed by Roche be listed before the learned Joint Registrar who would record evidence pertaining to the profits made by Cipla concerning the offending product. Cipla was also asked to pay costs in sum of INR 500,000 (US$ 7,500 approx.) to Roche.

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