Newsletter

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

New Unique Numbering Format implemented in the Patent Office

Vide Office Order No. 74, dated December 31, 2015, a new format of numbering Patent Applications and Requests for Examination has been implemented *w.e.f.* January 01, 2016. The new system shall have **12 characters fixed length numeric standard Patent Application Format**, applicable to all the Patent Offices in India and shall include identifiers of year of filing, jurisdiction, type of application and application number. The new format shall be YYYYJTNNNNNN, where:

- YYYY denotes four digit “Year of filing”;
- J denotes “Jurisdiction” in numerals;
- T denotes “Type of Application” in numerals;
- NNNNNNN denotes 6 digit fixed length common continuous running serial number applicable for all Patent Offices in India.

The numbering system of Requests for Examination has also been streamlined and standardised with the implementation of the new format (RYYYYJNNNNNN for normal and XYYYYJNNNNNN for express). This has been done with a view to attain uniformity in accessibility and processing of patent applications by all Patent Offices in India.

It has been notified that application numbers/request for examination numbers that have already been allotted shall continue to be maintained and recognised till they are fully converted into the new numbering pattern.

Guidelines for Examination of CRIs kept in abeyance

Vide Office Order No.70, dated December 14, 2015, the Guidelines for Examination of Computer Related Inventions (CRIs), which were issued in August, 2015 (covered in our newsletter of Aug-Sept, 2015) have been kept in abeyance until completion of discussions with stakeholders and resolution of contentious issues. This decision has been taken in view of several representations in respect of interpretation and scope of section 3(k) of the Patents Act, 1970 (as amended). Meanwhile, the existing chapter of the Manual of Patent Office, Practice and Procedure continues to be applicable in the said field.

India joins Tmclass

The Office of the CGPDTM joined TMclass (a TM classification tool) w.e.f. December 07, 2015. As a result, TMclass now contains data from 57 participating offices and provides an opportunity to search and translate terms to and from any of the 40 languages available.

This successful integration is the result of the EU-INDIA Intellectual Property Cooperation (IPC-EUI) project co-funded by the European Union and the Office for Harmonization in the Internal Market (OHIM) within the framework of the International Cooperation Programme and in close collaboration with CGPDTM.

Action-plan for Start-ups in India

The Hon'ble Prime Minister of India, Shri Narendra Modi, formally launched 'Start-up India, Stand Up India' initiative in January, 2016, in an event organised by the Department of Industrial Policy and Promotion (DIPP). The flagship initiative aims to empower start-ups and accelerate spreading of the start-up movement, the primary objective being promoting and nurturing innovation by creating an ecosystem that is conducive for the growth of start-ups. The objective is to make India, a nation of job creators rather than a nation of job seekers.

The Prime Minister has announced an all-inclusive 19-point action plan to boost such ventures that would contribute to employment generation and wealth creation, including fast tracking of examination of patent applications and providing 80% rebate in filing of patent applications *vis-à-vis* other companies. The scheme is, however, being launched initially on a pilot basis for 1 year and based on the experience gained, further steps shall be taken.

The 'start-upinitiative' aims to provide funding support for development and growth of innovation driven enterprises, tax exemption on capital gains and income tax (for 3 years), faster exit keeping in view the volatility of startups etc.

Lee Pharma's application for Compulsory Licence rejected

Lee Pharma had applied for the grant of a Compulsory Licence in June, 2015 for manufacturing and selling 'Saxagliptin', a patented drug of Astra Zeneca for treatment of Type II Diabetes Mellitus (DM) on the following grounds:

1) The reasonable requirements of the public with respect to the patented invention have not been satisfied;
2) The patented invention is not available to the public at a reasonably affordable price;
3) The patented invention is not worked in the territory of India.

We had covered Lee Pharma's application in our newsletter of June-July, 2015 and updated in a subsequent issue that the Controller did not find that a *prima facie* case had been made out in line with the prescribed procedure. Lee Pharma requested for a hearing under Rule 97(1) which was granted.

The Controller pointed out that the applicant has not shown what is the reasonable requirement of the public with respect to Saxagliptin in India in the context of number of Type II DM patients requiring the aforesaid drug. The applicant also failed to show comparative requirements of Saxagliptin and other DPP-4 inhibitors viz. Linagliptin, Sitagliptin and Vildagliptin which are required for treatment of Type-II DM and are available in the Indian market so that the reasonable requirements of the public in respect of Saxagliptin could be arrived. It also failed to submit any specific data/evidence with respect to the exact number of patients requiring only Saxagliptin for the treatment of Type- II DM. The Controller reached the conclusion that no case is made out in terms of clause (a) of sub-section (1) of section 84 of the Act by placing reliance on *Bayer Corporation v Union of India and Ors*. where the Bombay High Court had held that the reasonable requirement of the public has to be considered by the authorities in the context of number of patients requiring the patented drug.

As to the second ground relied upon by the applicant that the patented drug was not available at a reasonable price, the Controller inferred that since other two DPP-4 inhibitors namely, Sitagliptin and Vidagliptin are also listed along with Saxagliptin in the list of essential medicines for the treatment of Type II DM and are sold at comparatively similar prices, it cannot be said that Saxagliptin is the only option for patients in India. Further, the applicant has not furnished the details of the reasonable requirements of the public in respect of Saxagliptin, the comparative requirements of Saxagliptin and other DPP-4 inhibitors, Linagliptin, Sitagliptin and Vidagliptin or any authentic data/statistics on Saxaglipin prescribed by the doctors over the other DPP-4 inhibitors. Therefore, in absence of evaluation of exact quantum of Saxagliptin required and the number of patients *vis-à-vis* the doctor's prescriptions as against the other options existing in the market, the question of its availability can't be determined. Thus, the applicant failed to show that the patented invention is not available to the public at a reasonably affordable price and no case is made out in terms of clause (b) of sub-section (1) of section 84 of the Act.

The Controller further rejected the applicant's submission that the patentee had not taken adequate steps to manufacture Saxagliptin in India even after the lapse of eight years from the date of grant i.e. April 30, 2007. Reliance was placed on *Bayer's case*, where it was held that manufacturing in India is not a necessary pre-condition in all cases to establish patents' working in India. It was observed that the applicant had failed to adduce authentic data, report, evidence or comparative study which could fix the quantitative requirement of Saxagliptin in India and the necessity of its manufacturing in India. Further, no evidence is led pointing any shortage of the said drug in India because of its importation only. Therefore, it was held that no case is made out under clause (c) of section 84(1).

Thus, the application for the grant of a Compulsory Licence was rejected by the Controller.

Cipla's Special Leave Petition over Erlocip

As reported in the January 27, 2016, edition of the Times of India, Cipla challenged the Delhi High Court's order of holding it guilty of infringing Swiss Pharma Company Hoffman-La Roche's patent by way of a Special Leave Petition before the Hon'ble Supreme Court of India.

We had discussed the Division Bench judgement in our newsletter of Oct-Nov, 2015, where the bench had ruled in favour of Roche on the basis that Cipla's lung cancer medicine, Erlocip was one polymorphic form of the erlotinib hydrochloride compound, which may exist in several forms and Roche's patent claim was not limited to any such version. The Court had further opined that *"the correct test of infringement in this case is to map Cipla's product against Roche's patent claim"*. On the basis of this test, the Court found Cipla guilty of infringement. However, since the aforesaid patent is due to expire in March, 2016, no order of injunction was passed against Cipla and it was only directed to pay costs of INR 500,000 (USD 7500 approx.) to Roche.

Cipla argued that the High Court erred in holding that its product Erlocip infringed the suit patent as the product was subject matter of a rejected patent application in India and was in public domain.

The Hon'ble Supreme Court admitted Cipla's appeal and posted the case for hearing on March 16, 2016.

Supreme Court dismisses the appeal of Jagatjit Industries Ltd.

The respondent No. 4, Austin Nichols, a subsidiary of Pernord Ricard S.A. which is engaged in the business of manufacturing and marketing a variety of alcoholic beverages worldwide, claims to have adopted the trade mark “BLENDER’S PRIDE” through its licensee, Seagram Company Limited in 1973. It had applied for registration of the trade mark “BLENDER’S PRIDE” under two applications which are pending registration in India.

The said respondent became aware of the fact that the appellant’s application for registration of an identical trade mark i.e. “BLENDER’S PRIDE” was advertised in the Trade Marks Journal Mega-I published on October 7, 2003. The respondent No. 4 filed Form TM-44 seeking extension of one month for filing its notice of opposition against the appellant’s application on January 6, 2004, which was within statutory period of three months from the date of publication. Subsequently, the respondent No.4 filed its notice of opposition on January 19, 2004. Thereafter, the Trade Marks Registry issued a notice to the appellant on February 16, 2004, inviting its counter statement.

However, the Registry had issued the registration certificate to the appellant on January 13, 2004, when the said respondent’s opposition proceedings were pending. In the absence of any intimation from the Registry, the respondent filed a writ petition before the Delhi High Court against issuance of the aforesaid certificate. This writ petition was disposed of later with the observation that the Registrar shall proceed to decide the issues arising out of the show cause notice as expeditiously as possible.

Meanwhile, on February 16, 2005, a show cause notice was issued by the Registrar under section 57(4) of the Trade Marks Act, 1999 to the appellant, in which it was mentioned that the registration certificate had been issued wrongly and the Register needed to be rectified. The appellant insisted on the withdrawal of the show cause notice since it was issued by the Registry of Bombay and not New Delhi. Also, the opposition filed by the respondent was beyond the limitation period of three months. The Registry, however, stated that the impugned mark was registered on account of inadvertence/error and directed the appellant to return the registration certificate. The appellant filed a writ petition in the Delhi High Court against the aforesaid order. As a result, the Court directed the Registrar to dispose of the proceedings. The Registrar recalled the show cause notice issued, stating that he had no jurisdiction to proceed in the matter inasmuch as under Section 125 of the Act, the proceedings could only legally continue before the Appellate Board and not before him [On January 14, 2005, a suit for infringement of its trade mark was filed by the appellant in Jalandhar *inter alia* against licensee of respondent No. 4 namely Seagram Distilleries Private Limited.].

Further, in an appeal filed before the Appellate Board, the Board, reversed the Registrar's order, and held that the notice of opposition had been taken on record and numbered, which clearly showed that Form TM-44 filed by respondent for extension of time had been accepted by the Registrar. It is only after such acceptance that a show cause notice had been issued to the appellant, calling upon it to file the counter-statement. The Board also held that the registration of the trade mark of the appellant that was even before the expiry of the extended one month, would be contrary to Section 23 of the Act and invalid in law. Also, when the show cause notice was issued on February 16, 2005, Seagram had not yet filed its counter-statement as it was not even served with the suit papers, and that, since the suit had not been filed against the aforesaid respondent, but had only been filed against Seagram, Section 125 would have no application and therefore, the Registrar's order was set aside.

Against the order passed by the Appellate Board, the appellant filed a Writ Petition in the Delhi High Court. The Court, set aside the aforesaid order of the Appellate Board and sustained the earlier order of the Registrar, according to which, section 125 of the Act would apply and bar proceedings before the Registrar.

In an appeal before the Division Bench, the Division Bench overturned the order of the Single Judge, holding that section 23(1) had been violated and that section 125 would not apply. The Division Bench held that the grant of registration on January 13, 2004 was invalid being contrary to section 23 of the Act. As to the issue of jurisdiction of the Registrar, the Court stated that under the Trade Marks Act, there is only one Registrar of Trade Marks, and his office is situated in Mumbai. The Assistant Registrars in other parts of the country, including Delhi, all act under the superintendence and directions of the Registrar. Thus, there is no substance in the contention of the appellant.

As to the issue whether any rectification proceedings could be filed before the Registrar if an infringement claim has been filed, given the facts of the case, the application for rectification of the Register referred to Section 125(1) could only be an application by the defendant in the suit for infringement. The defendant being Seagram and not Austin Nichols, it is clear that the section would have no application. The court also noted that the suit is both a suit for infringement as well as passing off and it is significant that Austin Nichols has not been made a party to the said suit. Therefore, the application for rectification, not having been made by any of the defendants in the suit for infringement and passing off, section 125(1) would have no application.

The Hon'ble Supreme Court did not find any reason to interfere with the judgement of the Division Bench and dismissed the appeal.

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