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Patent Year Book
2023-2024

NOIDA | NEW DELHI | MUMBAI | BENGALURU

Index

Intro

India has seen a staggering growth, not just in patent filings but also in patent litigations. As per the Annual Report for 2022-23 published by the CGPDTM, there was 25% growth in overall patent filings from 2021-22 to 2022-23. Domestic filings of patents increased to 52.29% of total filings as compared to 40.41% in 2021-22. With the abolishment of the IPAB and transfer of jurisdiction to the High Courts, many significant patent judgments are now being passed by various High Courts - in appeals, revocations as well as infringement proceedings. This seems to be the golden age for development of patent jurisprudence in in India. This Patent Yearbook 2023-24 is a collection of groundbreaking patent cases from India from January 2023 till February 2024, that have shaped patent law jurisprudence in the last one year.

DELHI HIGH COURT

Division Bench Judgments

I. DB interprets product-by-process claims.

In its judgment dated 07 February 2024, a Division Bench ruled on the interpretation and scope of product-by-process claims, holding that,

- **Product-by-process claims:** Patents Act confers patent protection to both products and processes. A product-by-process claim is an amalgam or hybrid, which straddles the otherwise discernible and recognized distinction between products and process patents *per se*. Product-by-process claims relate to a novel and inventive product, which is unknown in prior art. It would remain a product which is within the ambit of Section 48(a). However, a product is not novel merely because it is produced by a new process, if such is the case it would be treated and granted as a process patent.

- **Rule of necessity (Product-by-process claim, where permitted):** Such claims are permitted where it would be difficult to define the product with reference to its structural features, where it is not possible to satisfactorily or with sufficient clarity explain the characteristics of a novel invention based on its composition or structural parameters.

- **Product "Obtained by" v. "Obtainable by" process claims (the form of claims):** Section 48(b) is concerned with a process patent *per se*. A process claim and the extent of protection that can be claimed in respect thereof would have to draw colour and content from Section 48(b) which embodies the phrase "*obtained directly by that process*".

- The words "*obtainable by*" appear to convey a descriptive process by which the claimed product could be manufactured or produced. However, that process need not and invariably be the inventive element of the patent. Whereas the expression "*obtained by*" would be intended to convey a direct linkage between the product and the process. In context of our statute, the latter would in most situations be concerned with a process claim referable to Section 48(b) and ultimately liable to be construed accordingly be it for patentability or infringement analysis. Consequently, an "*obtained by*" claim tested whether on the anvil of Section 48(b) or the canons of claim construction would lead us to the same conclusion, namely, the patentee having intended to restrict the scope of the claim to the recited process. Usage of "*obtainable by*" language is identical to what occurs in Section 48(a) and extends to product claims *per se*.

- **Standards of patentability and infringement:** Process features of such claims (product-by-process) do not serve as a limitation during infringement proceedings.

- There cannot be distinct tests/ standards of novelty being applicable at stage of patentability and those for deciding infringement. Both at stage of grant (patentability) and while determining infringement, the language of claims remain unaltered. Claims and specifications do not change hues but remain static.

- **INN allocation is not irrefutable evidence of an invention:** The question of patentability is to be examined and evaluated independently. The conferral of an INN cannot be accepted as constituting irrefutable evidence of an invention. It could at best be viewed as corroborative of an assertion of a patentable product having been obtained.

Case: *Vifor (International) Limited & Anr.* v. MSN Laboratories Pvt. Ltd. & Anr., 2024 SCC OnLine 784

II. Divisional Application, filed *suo moto* or post Controller's objection, is maintainable if plurality of inventions is disclosed in earlier provisional or complete specification.

A Division Bench, in judgment dated 13th October 2023, clarified the scope of Divisional Applications under Sec. 16 of the Patents Act, holding that a Divisional Application would be maintainable provided the plurality of inventions is disclosed in the provisional or complete specification that may have been filed. The Court further held that,

- The filing of Divisional application either *suo moto* by the applicant or while meeting an objection raised by the Controller, would have to be answered on identical lines. The Divisional application can be maintained in either of those situations,

subject to plurality of inventions being evidenced from the disclosures made in either the provisional or complete specification which had been filed earlier.

- Sec. 16(1) is unambiguous and there is no justification for restricting the filing of Divisional application only to situations where the plurality of inventions is found in the claims. Such interpretation would amount to rewriting the provision itself.

- The significance of the expression "*disclosed in the provisional or complete specification*" can neither be ignored nor discarded.

- A provisional specification can be filed without any claims. If plurality of inventions has to emerge only from claims, then no Divisional application could be filed when only a provisional specification has been submitted, leading to an incongruous situation.

- The doctrine of "*what is not claimed is disclaimed*" may be relevant for infringement analysis, it has no application to divisional filing and claim drafting and it cannot be imputed for purposes of discerning the scope of Sec. 16.

The DB was dealing with a reference from a Single Judge doubting the correctness of view of another Single Judge in *Boehringer Ingelheim International GMBH* v. *The Controller of Patents* (2022 SCC OnLine Del 3777). While answering the reference in above terms, the Court stated that the judgment in *Boehringer Ingelheim* stands overruled.

Case: *Syngenta Limited v. Controller of Patents and Designs*, 2023 SCC OnLine 6392

III. Division Bench of Delhi High Court lays down principles relating to patent infringement suits at the interim stage.

The DB of Delhi High Court, in *ACE Technologies Corp and Ors. v. Communications Components Antenna Inc.*, 2023 SCC OnLine Del 2082, dated 10 April 2023, laid down important principles relating to patent infringement suits while deciding an appeal from judgement dated 12 July 2019 of Ld. Single Judge directing the appellants to furnish Bank Guarantee of 40 crores and further deposit of 14.5 crores with Registrar General of Delhi High Court in lieu of interim injunction.

- **Jurisdiction and maintainability**: At the pre-trial stage, unless the admitted facts establish that the court does not have the jurisdiction to entertain the suit, the averments in the plaint are required to be considered as correct for the said determination.

- The onus to show that no part of the transaction of sale and purchase of infringing product was consummated in India, is on the defendants.

- **Claim construction and Credible Challenge**: Patent rights are in respect of the specific claims and not the preferred embodiments. Accordingly, credible challenge is to be considered in context of claims.

- Claims cannot be read in isolation. Description of the patent, specification and the preferred embodiments are relevant for interpreting and understanding the claims. However, specifications and embodiments cannot be read to broaden the scope of claim.

- *Prima facie*, if the product is novel and distinct improvement over the known technology, its patent would not be vulnerable to challenge on the ground that patent was disclosed by prior arts.

- **Determining sufficient and enabling disclosure:** Whether complete specification sufficiently and fairly describes the invention and the method by which it is to be performed, is required to be viewed from the standpoint of a person possessing skill in, and average knowledge of, the art to which the invention relates. Parties ought to lead expert evidence/ evidence of a person skilled in the art on this aspect, and this is to be examined with reference to specifications, and not the claims alone. Such determination is independent of any observations made by the patent office of any other country.

- That a patent has been granted in some countries and revoked in another, underscores the point that revocation of suit patent is to be considered by the Court independently.

- **No relief without basis thereof in pleadings**: Plaintiff cannot press an actionable claim by filing an affidavit during a subsequent stage in the suit, without amending the plaint. Such affidavit is not a substitute for amendment of pleadings.

- **Safe Distance Rule for party suffering interim injunction**: A party interdicted from doing any act in relation to subject matter of the

suit, must ensure that it does not commit any other acts which could be construed as violating the court order. Such party cannot try and overcome court orders by continuing its infringing activity in another form or manner.

Accordingly, the appellate court declined to interfere with the impugned judgment. However, it modified the terms of deposit given the difficulty expressed by the appellants/defendants in adhering to the original terms.

Competition Regulatory Authority and Patent Law

IV. DB rules that CCI cannot exercise jurisdiction over actions of enterprise that are in exercise of patent rights.

The Division Bench (DB) vide its judgment dated 13th July 2023, in *Telefonaktiebolaget Lm Ericsson (Publ) V. Competition Commission of India & Anr.* 2023 SCC OnLine Del 4078 held that "*the CCI cannot exercise jurisdiction over actions of an enterprise that are in exercise of their rights as a patentee*". The Court noted that,

- Both the statues, Competition Act, 2002 and Patents Act, 1970- are special laws and while deciding which of these ought to prevail, one must consider "*(i) the subject matter in question, (ii) the intendment of the statutes in respect thereof, as well as (iii) whether the scheme and relevant provisions of the two statutes have any indication apropos which, the legislature felt must override the other, especially when both statutes have a non-obstante clause*".

- The issue "*of whether an agreement under which a patent is licensed will cause an appreciable adverse effect on competition within India or will amount to an abuse of dominant position is not one that is reserved for the CCI*".

- In view of the Court, "*the inquiry that the CCI proposes to conduct in respect of an assertion of patent rights is nearly identical to that which the Controller will conduct under Chapter XVI of the Patents Act. The legislative intent is apparent in that the Patents Act- especially as amended by the 2003 Amendment that introduced Chapter XVI after the Competition Act was enacted. It is especially for the field pertaining to patents, unreasonable conditions in agreements of licensing, abuse of status as a patentee, inquiry in respect thereof and relief that is to be granted therefor are all to be governed by the Patents Act*".

- The Court further noted that "*the inclusion of Section 84(6)(iv) in the Patents Act by way of an amendment after the Competition Act was passed with Section 3(5)(i)(b) is particularly instructive of the above legislative intent as regards anti-competitive agreements*".

- Even though *"CCI is empowered under the Competition Act to examine anti-competitive agreements and abuse of dominant position*", the Act itself "*makes provision for reasonable conditions being imposed in an agreement concerning exercise of rights under the Patents Act*". The said "*reasonable conditions are exempted from an examination under section 3(5)(i)(b) of the Competition Act*"- this being "*indicative of the legislature's intendment as to exclusive domain of the Patents Act regarding reasonable conditions*".

- On the relevant issue/ subject matter, i.e., "*anti-competitive agreements and abuse of dominant position by a patentee in exercise of its rights*", the Patents Act "*is the special statue and not the Competition Act*".

DHC's SEP & FRAND Jurisprudence

V. DB holds that FRAND commitment is not a one-way street and that an obligation is imposed on both the implementer and the SEP holder, and injunction can be sought against unwilling licensee.

A Division Bench, in judgment dated 29th March 2023, held that an SEP owner can seek injunction against an unwilling licensee and further held that,

- Injunction can be sought and granted in SEP matters, both at the *prima facie* and at the final stage even if only one patent is established to be infringed and the implementer is an unwilling licensee.
- However, prior to the grant of any such relief the Court must satisfy itself *prima facie* whether the patent is infringed, whether the implementer is an unwilling licensee and/or whether the royalty sought by the plaintiff is on FRAND terms.

- The parties' conduct during negotiation of a FRAND license is a relevant factor for determining willingness and is usually fact sensitive.

- Delhi High Court Patent Suit Rules and International jurisprudence are unanimous in holding that the "*indirect*" method of proving infringement is a sure shot and better method of proving Standard Essential Patent infringement and essentiality.

- The four-fold test in *Nokia Technologies OY v. Guangdong Oppo Mobile Telecommunications Corp. Ltd., 2022 SCC OnLine Del 4014,* is neither applicable at Order XXXIX Rule 10, CPC stage nor at Order XXXIX Rules 1 & 2, CPC stage.

- Disclosure of third-party license agreements by an SEP owner during negotiations is not mandatory for the implementor to revert with a counter-offer. The implementor can place reliance on its own licenses executed with third-parties and other SEP proprietors to formulate an appropriate counter-offer or to determine if the SEP proprietor's offer is FRAND.

- In case the negotiations fail, the implementers should make certain deposits/furnish security in favour of the SEP proprietor.

- Mere filing of a revocation petition by Intex, does not mean that it has to be presumed that Ericsson's patents are *prima facie* invalid.

Case: *Intex Technologies (India) Ltd. v. Telefonaktiebolaget L.M. Ericsson*, 2023 SCC OnLine Del 1845

VI. DB states that Indian Courts have power to pass *pro tem* order, if the fact so warrants

A Division Bench, in judgment dated 03rd July 2023, held that it is necessary, if the facts so warrant, for the Court to pass a *pro-tem* order as a temporary arrangement without a detailed exploration on merits. The Court further held that,

- The requirement to furnish a *pro-tem* security is the implementers' obligations during the negotiation stage and for this DB placed reliance on *Huawei* v. *ZTE* (Court of Justice, European Union).

- In order to balance the equities, Indian Courts have the power to pass a *pro-tem* order, if the facts so warrant. In this regard the Court noted that as per the Delhi High Court's Patent Suit Rules, 2022, the concept of *pro tem* security has been recognized, as the Courts have the power to pass such orders of deposit even on the first date of hearing. Therefore, even if negotiations between parties have failed it does not mean that the implementer can continue using the SEPs during the interregnum, without making payments. The Court also observed that since an Application under Order XXXIX Rule 1 and 2, CPC is usually heard at length in India wherein Court has to examine various aspect on merits and the same would take time, it is therefore necessary, if the facts so warrant, for the Court to pass a *pro-tem* order.

- A pro-*tem* security cannot be likened to grant of an injunction as it does not prevent the manufacturing and the sale of the infringing devices. The *pro-tem* security order does not confer any advantage upon the patentee as it only balances the asymmetric advantage that an implementer has over a Standard Essential Patent holder. Standard Essential Patents are a separate subspecies of patent litigation since an SEP holder is not having the freedom to claim an injunction against an infringer without prior negotiations under FRAND terms. Therefore, such principles have to be kept in mind while deciding the application for interim relief, which have to be tailored to suit the sub-species of the case being decided.

- Section 140 (1) (iii) (d) of the Patents Act does not stipulate that in all cases an ex-licensee who continues to make use of a patent even after expiry of the license agreement, shall not be required to secure the patent holder at an interim stage, while the parties contest the main suit in terms of its merits. The Court was of the view that if that were the case, then no ex-licensee would suffer an interim order and be called upon to provide interim security deposit, thereby rendering the provisions of Order XXXIX Rules 1 & 2 CPC and Order XXXIX Rule 10 CPC as otiose.

- The four-fold test stipulated in the *Nokia Technologies OY v. Guangdong Oppo Mobile Telecommunications Corp. Ltd., 2022 SCC OnLine Del 4014*, is neither applicable at Order XXXIX Rule 10 nor Order XXXIX Rule 1 and 2 CPC stage.

- The test for 'admissions' as prescribed under Order XII Rule 6 cannot be imported

into Order 39 Rule 10 of the CPC. The Court held that under Order 39 Rule 10, a party is only required to admit that some money is due to another party and that there was no requirement for an admission about the quantum of money. According to the Court, all that is required is OPPO's admission of the relationship of a licensee-licensor or its resultant obligation to make payment of some license fee. In this context, the Court held that "*where there is a dispute about the quantum of liability, then the minimum deposit that ought to be ordered normally is the last-paid-fee*". The Court in this backdrop then noted that OPPO has clearly admitted to being an ex-licensee of Nokia and even admitted its need to secure a license for Nokia's SEPs even after the expiry of the 2018 agreement. Additionally, OPPO admitted that it owes money by making counter offers, and had also agreed to make interim deposits, all of which, the Court observed, would not have been done had there been no need to take a license from Nokia.

- A combined reading of Section 151, Order XII Rule 6, Order XXXIX Rule 6 and Order XXXIX Rule 10 of the CPC, reveals that the Courts have the power to pass orders for depositing money pending decision in the Suit, if the facts so warrant. Section 151 of the CPC can be called in aid to cover cases which are analogues to these principles but may not be directly covered by the express words of the Code.

- Even in the past *pro-tem* orders have been passed in Standard Essential Patent disputes by the Court.

- A delay in the adjudication of cases tends to benefit the implementor / OPPO, and thus a deposit at *pro-tem* stage could balance equities. Otherwise, Nokia would suffer irreparable harm and injury.

- Non-furnishing of Nokia's comparable Patent License Agreements is irrelevant at a *pro-tem* stage.

- OPPO's conduct prior to litigation has led the Court to arrive at a conclusion that a *prima facie* case of infringement has been made out.

- The following facts weighed in the Court's mind while directing the payment of deposits:
  a) that Oppo was an ex-licensee;
  b) that OPPO had admitted to the use of Nokia's patent in its phones;
  c) that OPPO was willing to renew the 2018 Agreement;
  d) that OPPO was willing to make interim payment as late as 2021;
  e) that OPPO had approached the court in China to determine its FRAND rate;
  f) the financial condition of OPPO; and
  g) that the Bank Guarantee already submitted was insufficient to secure Nokia.

Case: *Nokia Technologies Oy v. Guangdong Oppo Mobile Telecommunications Corp. Ltd. And Ors.*, 2023 SCC OnLine Del 3841

VII. Factors to be considered while granting a *pro tem* deposit in Standard Essential Patent cases.

In its judgement dated 28th August 2023, a Single Judge passed an *ex-parte* direction to the Defendants in a SEP dispute to deposit a *pro-tem* amount with Registrar General of the Court in an auto-renewable Fixed Deposit, failing which an injunction would operate against the Defendants. It placed reliance on Division Bench judgments of *Intex* vs. *Ericsson* (2023 SCC OnLine Del 1845) & *Nokia* vs *OPPO* (2023 SCC OnLine Del 3841) to hold that a *prima facie* case for *pro tem* deposits was made out due to the following factors:

a. The patents of the Plaintiff have been well within the knowledge of the Defendants;

b. The Defendants have engaged in negotiations with the Plaintiff for obtaining a license;

c. The Plaintiff's patents are SEPs which have been licensed to various third parties.

d. The Plaintiff has offered its patents for license but the Defendants have launched their products without clearing the way. The negotiations have been going on for almost two years.

e. Despite litigation ensuing in two countries, there has been no licence agreement signed between the parties;

f. As of August 2023, a counter-offer has been made by the Defendants;

g. The Plaintiff has filed on record, claim mapping chart in order to establish its case of essentiality and infringement in respect of the suit patents.

h. A substantial portion of the business

of the Defendants in India is by importation of devices from China without payment of any royalty to the Plaintiff.

i. Even the local manufacturing which is being undertaken by Defendant No. 4 is without payment of any royalty.

j. Despite advance service and notice issued by the Court, most of the Defendants have chosen not to appear before the Court.

k. India is one of the biggest markets of the Defendants, as is clear from the documents of negotiation.

l. The Defendants continue to sell their products and earn revenues while the Plaintiff is asserting its patents in different jurisdictions without receiving any royalties.

Case: *Atlas Global Technologies LLC v. TP Link Technologies Co. Ltd. & Ors*. 2023 SCC OnLine Del 5475

VIII. Redaction of irrelevant information is permissible through the aegis of confidentiality club.

A Single Judge *vide* decision dated 16.02.2023 allowed the Defendant's request to redact irrelevant information from confidential documents being shared as a part of the confidentiality club. In the Order dated 16.02.2023, the Court noted and held:

- The suit relates to Standard Essential Patents (SEPs) and production of third-party agreement was directed to determine the nature of technology transferred to Vivo under the agreements and whether the patent's features work on the chipset or the handset.

- In SEP matters, claims of infringement ought to be adjudicated upon prior to the claims of FRAND conduct. In the instant suit, Philips has sued Vivo for infringement as well as for fixation of FRAND terms. Therefore, the former requires adjudication prior to the latter.

- The purpose of a confidentiality club is to keep certain information confidential, and exclusion of irrelevant information will not undermine the confidentiality of the club. Rather, redacting irrelevant information would aid in preserving the integrity of the club's confidentiality.

- If the information is not relevant to the purpose for which discovery is ordered, redaction would avoid unnecessary exposure of sensitive information.

- The Court concluded that only clauses dealing with commercial terms (payment terms and figures) were redacted. The Court held the said clauses to be irrelevant for the purpose for which discovery was directed i.e. for determining the veracity of Vivo's stand that the patented technology resides in the chipset and not the handset, and accordingly allowed Vivo's request to redact commercial terms.

Case: Koninklijke *Philips N.V. v. Vivo Mobile Communication Co. Ltd. & Ors.*, CS(Comm) 383/2020

IX. Grant of *pro-tem* orders in favour of the Plaintiff

1. Case: *Koninklijke Philips N.V. v. OPlus Mobitech India Pvt. Ltd & Ors.*, CS(Comm) 574/2019
   A Single Judge vide order dated 20 December 2023, passed a *pro-tem* order in favour of the Plaintiff which shall operate during the pendency of the application for injunction.

- The Court placed reliance on the Division Bench decision of *Nokia Technologies OY* v *Guangdong OPPO Mobile Telecommunications & Ors.* (2023 SCC OnLine Del 3841) to hold that the implementer has an obligation to furnish a *pro tem* security in the negotiation stage itself and the Court has power to pass *pro tem* orders if the facts so warrant.

- Placing reliance on DB judgments in *Intex* v *Ericsson* and *Nokia* v *Oppo*, as well as orders of other Ld. Single Judges of the Delhi High Court, it was noted that a *pro tem* arrangement can be directed to balance the equities of parties in light of time consumed in patent matters.

- The conditions for grant of an interim injunction need not be satisfied for a *pro tem* order.

- Third-party licenses with other entities *prima facie* indicate the recognition of the Plaintiff's patents being SEPs.
- Further, the Defendants are Chinese entities with little to no assets in India.

Accordingly, the Court held that given (i) there are various judgements in favour of the Plaintiff, (ii) recognition of the Plaintiff's SEPs in various

other jurisdictions, (iii) failure of the Defendants to negotiate, (iv) evasive stand taken by the Defendants on the use of technology covered by the suit patents, and (v) the financial condition of the Defendants (being foreign entities and/ or having little to no assets in India), a *pro tem* order is necessitated.

2. Case: *Interdigital Technology Corp & Ors. v. Guangdong Oppo Mobile Telecommunications Corp. Ltd. and Ors.*, 2024 SCC OnLine Del 1178

   A Single Bench, vide its judgment dated 21st February 2024, directed the Defendants to make certain deposit in Court if the parties are successful in completing the trail within 2024. However, in case the trail extends beyond 2024, the Defendant has to make an additional deposit. Reliance was placed on the Division Bench judgement in *Nokia Technologies Oy* v. *Guangdong Oppo Mobile Telecommunications Corp. Ltd. And Ors.*

Genus-Specie Disputes

X. The Delhi High Court once again dealt with several genus-specie disputes, with mixed results for patentees.

1. In *Boehringer Ingelheim Pharma GMBH & Co. KG v. Vee Excel Drugs and Pharmaceuticals Private Ltd. & Ors.,* 2023 SCC OnLine Del 1889 **(**batch-matters), dated 29 March 2023, (**Lingaliptin and Linagliptin+ Metformin**) the Court denied interim relief and imposed cost of INR 2 lakhs to be paid to each of the Defendants and additional cost of INR 2 lakhs to the DHC Legal Services Committee on account of detriment to public interest. Interestingly, in parallel proceedings in Shimla HC, vide order dated 02 June 2022, several generics like MSN, Eris, Emcure and Optimus had been injuncted. The Delhi High Court noted that identical Form 27s had been filed for genus and specie patents. Further, it noted that,

- There is no distinction between old and new patents. A patent can be challenged at any point in its life.
- Balance of Convenience is against patentee who is simply licensing the product and is interested in monetising.
- "*The plaintiffs are trying to make a distinction between the words, claimed, covered, encompassed and disclosed. The words covered and encompassed essentially mean the same thing and the plaintiffs are only relying on semantics to make an artificial distinction, which does not exist. When the product is specifically covered in the claims of the patent, whether specific disclosure with regard to the same has been made or not is immaterial.*"

2. In **Regorafenib litigation**, *Bayer Healthcare LLC v. Natco Pharma Ltd.* and *Bayer Healthcare LLC v. MSN Laboratories Private Limited*, 2023 SCC OnLine Del 3921, dated 5th July 2023, the Court once again denied interim injunction. It, *inter-alia*, noted that (i) there is no importance attached to old patent nor is there any presumption of validity of a granted patent. The Court further relied on Public Interest arguments, arguments relating to Section 53(4) as well as the decision of the Division Bench in *AstraZeneca* (Dapagliflozin) dispute.

3. In *Novartis AG & Anr. v. Natco Pharma Limited*, 2023 SCC OnLine Del 106, decision dated 9th January 2023, a Single Judge had granted interim relief in relation to the **drug Ceritinib**. Relying on a series of judgments wherein interim relief had been granted in context of genus-specie disputes, the court made an important observation in context of coverage v. disclosure debate,

   "*What matters, at all times, is disclosure. If the claim in a specie patent is disclosed in the genus patent, the specie patent stands invalidated thereby. Disclosure must be enabling; it must enable a person skilled in the art to reach the invention claimed in the specie patent from the teachings in the genus patent. I venture to state that, where this end is achieved before the publication of the specie patent, and before the invention claimed in the specie patent is made known to the public, it would be a far easier task for the claimant contesting the validity of the specie patent to so assert. Where, however, the claim to invalidity is made after the claim in the specie patent has been made known to the public, the challenger becomes a person armed with foreknowledge of the specie patent, so that the task of establishing that the derivation of the claim in the specie patent, from the claim in the genus patent, is actually guided by the teachings in the genus patent, and not by hindsight analysis and cherry-picking of substituents from the suggestion in the genus patent, becomes far more arduous. Where the genus patent is a Markush moiety, the difficulty of the task multiplies manifold. Thus does the disclosure in the genus patent attain significance*".

Aspects Related To Revocations

XI. A High Court cannot transfer proceedings between two High Courts, this being power of Supreme Court alone.

Respondent/Patentee sought transfer of revocation petitions, for consolidating the same with infringement suits for IN 243301, relating to Lingaliptin. The revocations were filed before the Delhi High Court. Subsequently infringement suits were filed before Himachal Pradesh High Court, wherein interim orders were granted in favour of the Patentee. Patentee submitted that IN '301 is expiring on 18 August 2023 and grounds raised in revocation would be similar to defences raised under Section 107 of the Patents Act.

Court, in its judgment dated 20 July 2023, noted that under the Patents Act, there are various remedies available to any person interested who wishes to seek revocation, i.e., filing of post-grant opposition; filing of revocation petition; filing of a counter-claim; raising defences of invalidity under Section 107.

Relying on *Dr. Reddy's Laboratories Limited*, (C.O. (Comm. IPD-PAT) 03/2021 dated 10 November 2022), Court observed that "*a revocation petition can be filed wherever the effect of the patent is felt*". The subject patent was also granted by the Delhi patent office. The revocation petitions are maintainable before the Delhi High Court.

Court further observed that, "*Usually if a revocation petition and a suit for infringement are filed before this Court, the proceedings are consolidated. Even if the suit for infringement is before a Commercial Court, upon the raising of issues relating to invalidity, the matter is transferred to the High Court in view of Section 104 of the Patents Act, 1970.*

Powers of consolidation under Rule 26 of the IPD Rules can be exercised by the IP Division of Delhi High Court, to consolidate proceedings to the same IP asset, provided they are pending either before the IP Division or before any of the Commercial Courts in Delhi. Such power does not extend beyond the territorial jurisdiction of the Delhi High Court."

The prayer for transfer of revocation petitions pending before Delhi High Court to Himachal Pradesh High Court was held to be "*completely untenable*". Delhi High Court "*cannot exercise power to transfer proceedings between two separate High Courts*" and the said power can be exercised by Supreme Court alone under Section 25 of CPC. Application by the patentee dismissed.

Case: *Eris Lifesciences Ltd. v. Controller of Patents & Anr.* and *Macleods Pharmaceuticals Ltd. v. The Controller of Patents & Anr.*, 2023 SCC OnLine Del 4429.

XII. Revocation is not suit for purposes of Section 10, CPC

The patentee sought stay of proceedings under Section 10 of CPC in respect of revocation petition against IN 268846 relating to Empagliflozin. The Court, in its judgment dated 03 August 2023, dealt with the following three issues,

a. Whether revocation petition was instituted prior, or later, in point of time, to the suit?

- Revocation was filed electronically on 16 October 2021. It was registered on 21 October 2021 and was heard on 22 October 2021. Infringement suit was filed by patentee before Himachal Pradesh High Court on 19 October 2021 and *ex-parte* stay therein was granted on 20 October 2021.

- Court noted that the pivotal expression in Section 10 is "*instituted*" and "*Section 10 proscribes a Court from proceeding with trial of any suit in which the matter in issue is directly and substantially in issue in a previously instituted suit between the same parties*".

- Institution of the revocation petition took place on 16 October 2021. Presentation of a plaint to a competent officer authorised by this Court is *ipso facto* institution of the suit within meaning of CPC, particularly Order IV Rule 1(1) thereof. A juxtaposed reading of Order IV Rules 1 and 2 makes it abundantly clear that the suit is instituted when it is presented to the competent officer and registration takes place only thereafter. While the suit stands instituted on the date when the plaint is presented, the suit has to comply with Orders VI and VII of CPC and the date of institution does not get postponed to date of compliance.

- Electronic filing of pleadings, in accordance with practice directions for electronic filings, would also constitute presentation thereof. Hence, revocation petition was instituted prior in time to the infringement suit.

b. Is revocation petition a suit for the purposes of Section 10 of CPC?

- Relying on the Supreme Court decision in *Raju Jhurani* (2012 8 SCC 563), the Court observed that there is no reason to treat a revocation proceeding under Section 64 of the Patents Act, as a suit for the purposes of Section 10 of the CPC.

- Even the Patent Suit Rules, 2022, if taken to be applicable, specifically treat only counter claims filed in patent suits, under Section 64, as suits. All other species of challenges to a patent are excluded.

- The Court cannot create a deeming fiction, where the statue does not do so.

- Section 10 merely stays trial of the suit and does not bring to halt the proceedings in the suit. Court seized of the later suit may still pass interlocutory orders.

c. Is a case for stay made out even on merits?

- It is only where there is a complete equality of the issues in consideration, of the causes of action and the relief sought in two proceedings that the later proceeding can be stayed under Section 10 of CPC.

- There is a fundamental difference between a revocation petition and an infringement suit. Success of revocation leads to patent being effaced whereas challenge to validity in infringement action merely results in denial of injunction and does not extinguish the patent. The reliefs which would result, therefore, are "*completely different*". Hence, no case for stay is made out even on merits.

Case: *Dr. Reddys Laboratories Limited & Anr. v. The Controller of Patents & Ors.*, 2023 SCC OnLine 4701

Single Judges Deciding Appeals From Controller's Orders

XIII. Lack of specificity in raising objections and deprivation of opportunity to address prior arts leads to setting aside of Controller's order.

In an appeal from Controller's decision rejecting grant of patent, a Single Judge, in judgment dated 21 February 2024, noted the following in relation to the grounds of refusal,

- IPO is obligated to pinpoint at least sub-sections of section 10(4) in FER and/or Hearing Notice. Sufficiency of disclosure related objections must be articulated with clarity to ensure fairness. Such objections without non-compliance specifics are not legally tenable.

- Prior art cited in FER, but not in Hearing Notice in relation to same pending objection deprives Applicant of addressing the same during hearing and Written Submissions.

- Prior Art D3 was never cited in FER or hearing notice. It was mentioned for the first time in the Rejection Order. Such procedural irregularities undermine the fairness and integrity of the examination process.

- D1 and D2 related objections were derived from EPO's Search Opinion and Examination Report. The patent was granted by EPO post claim amendment. The said EPO amendments as per the Applicant's submissions bore close resemblance to scope of the amendments before IPO. The court noted that the same warrants consideration, even if examination processes across jurisdictions have to be independent, since it could have been instrumental in Respondent's decision-making process. IPO need not align its decisions with EPO's decisions, but the latter can provide valuable context.

The impugned order was set aside, and matter remanded for *de novo* consideration. At request of the applicant, the Single Judge did not deal with issues relating to inventiveness, leaving the same to be decided by patent office upon remand.

Case: *Microsoft Technology Licensing v. Assistant Controller of Patents and Designs*, C.A. (Comm. IPD-PAT) 26/2022, order dated 21st February 2024

XIV. Opposition Board Report not binding on Controller and cannot be challenged on merits in a Writ.

In *Willwood Chemicals Private Limited v. Assistant Controller of Patents and Designs & Anr.*, W.P.(C)-IPD 15/2023, order dated 17 March 2023, the Court passed an important order while dealing with petitioner's writ to impugn the Report of Opposition Board in a Post-Grant Opposition filed by Respondent No. 2. In declining to entertain the petition, the Court noted that,

"*The Controller, nevertheless, retains the prerogative to diverge from the findings of the Opposition Board, should the facts and circumstances justify such an action. While the recommendations carry weight, the Controller is required to employ independent thought in determining whether to uphold, modify, or revoke the patent. Regardless, the legal framework does not permit an appeal against the Opposition Board's recommendation or scrutinizing the validity of the Report and declaring it unsustainable. The Act, under Section 117A(2), provides for an appeal once the Controller takes a final decision. Petitioner cannot thus be permitted to challenge the recommendations on merits under Article 226/227 of the Constitution.*"

XV. Section 117A appeal is continuation of original proceedings and would lie in the HC having jurisdiction over the appropriate patent office.

In *Filo Edtech Inc. v. Union of India & Anr.*, 2023 SCC OnLine Del 7304, dated 21 November 2023, a Single Judge, agreeing with the decision in *Dr. Reddy's Laboratories Limited & Anr.* v. *The Controller of Patents & Ors.* [2022/DHC/004746], held that appeal under Section 117A of the Patents Act, in the facts of the case, would lie before Bombay High Court where the patent application was filed.

The patent application was allotted to the Delhi patent office for hearing. However, the filing office and the appropriate office was the Bombay patent office. The FER was issued on the office letter head of the Bombay patent office. The Reply to FER was also addressed to the Bombay patent office. The impugned order of the Controller did not mention the place of the office.

The Single Judge noted that an appeal is a continuation of original proceedings. Hence, appeal would not lie before the Delhi High Court. Dismissed for want of territorial jurisdiction.

XVI. Technical Effect and Technical Contribution for patent eligibility of computer programs

1. In judgement dated 15 September 2023, in *Raytheon Company v. Controller General of Patents and Designs*, 2023 SCC OnLine Del 5770, the Single Judge was dealing with an appeal from an order rejecting a patent application on grounds of ineligibility u/S. 3(k) and lack of inventive step. In context of Sec. 3(k), the Court noted that,

   - The requirement of novel hardware is not to be insisted upon in applications relating to inventions of computer programs.
   - Interpretation of Section 3(k) is settled in *Ferid Allani* v. *Union of India & Ors.*, 2019 SCCOnline Del and *Microsoft Technology Licensing* v. *Assistant Controller of Patents and Designs*, 2023 SCCOnline Del 2772
   - The patent office needs to examine if there is a technical contribution or as to what is the technical effect generated by the invention as claimed.
   - The Patent Office was in error in applying the 2016 Guidelines for Computer Related Inventions, when the 2017 Guidelines had replaced the same.

   Accordingly, the impugned rejection order was set aside, and the patent application was directed to be examined afresh.

2. In *Microsoft Technology Licensing, LLC v. The Assistant Controller of Patents and Designs*, 2023 SCC OnLine Del 2772, dated 15th May 2023, the court examined the legislative evolution of section 3(k) in relation to the bar on 'computer program *per se*' and the Guidelines issued by the patent office in relation to Computer Related Inventions, to note that,

   - "*The concept of technical effect and contribution is crucial in determining the patent eligibility of CRIs, but there is currently a lack of clarity in this area. It is essential to identify and evaluate technical contributions in CRIs to determine their eligibility for patent protection. The rapidly evolving nature of technology means that what constitutes a technical effect or contribution may become outdated in future. Therefore, there is a*

pressing need to clarify these concepts in order to strike a balance between protecting the rights of inventors and promoting the public interest and social welfare. Flexible and adaptive approach would ensure patent protection to genuine technological innovations while also preventing grant to overly broad patents that hinder innovation and competition. Thus, establishing clear and consistent criteria and guidelines for determining patentability of computer programs is essential to avoid ambiguity and arbitrariness in the patent system. This can be achieved by providing examples or illustrations of patentable and non-patentable computer programs... Counsels have implored this Court to venture into this arena, however, the Court has chosen to stay away and rather, considers it appropriate to direct the Patent Office to undertake this exercise. They have specialized technical knowledge and expertise in various fields, including CRIs, and are better equipped to consider the nuances and complexities of emerging technologies."

In facts of the case, the Court set aside the order rejecting the patent application basis section 3(k) and the patent office was directed to consider the patent application in relation to assessment of novelty and inventive step.

XVII. Unreasoned decision rejecting application for lack of inventive step.

In the order dated 08th February 2024 passed in *NHK Spring Co. Ltd. v. Controller of Patents and Designs*, C.A.(COMM.IPD-PAT) 296/2022, the Single Judge was dealing with an appeal from an order rejecting a patent application on grounds of lack of inventive step under Section 15 read with Section 2(1)(ja) of the Patents Act, 1970. The Court set aside the impugned order and remanded the matter for reconsideration noting that,

- Inventive Step analysis requires "*a rigorous examination of the application, beyond mere surface analysis*".
- An invention has an inventive step "*if it eludes the predictable pathways of a skilled practitioner in the relevant field, thereby achieving a distinction that elevates it beyond mere incremental advancements*".
- One must consider "*whether the invention demands an exertion of skill or acumen exceeding the normative expectations of a person skilled in the art*".
- "*Fragmentary analysis*" of claims is not advised and holistic view is advocated in inventive step assessment and "*the determination of non-obviousness should not rest on the mere presence of individual components within the claims that are known or might appear obvious when considered in isolation*".
- For assessing inventive step, the essence of the invention must be viewed in its entirety.
- Relying on *Bristol-Myers Squibb Holdings v. BDR Pharmaceuticals International*, 2020 SCC OnLine Del 1700, the Court observed that "*while a mosaic of prior art documents may be done in order to claim obviousness, however, while doing so, it must also be demonstrated that the prior art exists, but how the person of ordinary skill in the art would have been led to combine the relevant components from the mosaic of prior art.*"
- The Controller did not conduct a nuanced examination mandated by both Patents Manual and judicial precedents. Controller noted the prior arts and claims of the alleged invention but did not attempt to "*disclose how the teachings given therein would be obvious to a 'person skilled in the art' to conclude that the alleged invention lacks an inventive step*".

XVIII. Permissibility of Claim amendment at appeal stage and ineligibility of business methods

In *OpenTV Inc v. Controller of Patents and Designs and Anr.*, 2023: DHC: 3305, a Single Judge dealt with refusal order of the Patent Office in relation to invention titled "*System and Method to provide gift media*" which related to network architecture and a method implemented on the same for enabling "*exchange of interactive media content distribution of any type of digital or tangible media*". The refusal was based on Sec. 3(k) objection. While dismissing the appeal, the Court noted that,

- **Claim amendment permissible at appellate stage:** Amendment of claims in patent specification can be permitted at the appellate stage, both at the instance of the Applicant or if directed by the Court,

so long as requirements of Sec. 59 are fulfilled, and the amended claims are within scope of the original as filed claims.

- For this conclusion, the judge relied on *Societe Des Produits Nestle Sa* v. *Controller of Patents and Designs*, 2023/DHC/000774, and noted that (i) Patents Act does not bar amendment of a patent specification at appellate stage, (ii) in appeal, High Court will have similar power as of Controller to direct amendment of patent application, and (iii) appeal is continuation of the original proceedings.

- In facts of the case, amendment was not allowed since the effect would have been to widen scope of the original as filed claims, which was not permissible in law.

- **Section 3(k) ineligibility:** Refusal in context of business methods is absolute, but in context of computer programs, use of words *per se* implies that a computer program demonstrating technical effect or an advancement, or a technical contribution could be patentable.

- While dealing with applications involving business method, patent office must consider whether the application addresses a business or administrative problem and provides a solution for the same, and the following aspects ought to be considered:
  "*i. whether the invention is primarily for enabling conduct or administration of a particular business i.e., sale or purchase of goods or services;*
  ii. whether the purpose of the invention is for claiming exclusivity or monopoly over a manner of doing business;
  iii. whether the invention relates to a method of sale or purchase of goods or services or is in fact a computer program producing a technical effect or exhibiting technical advancement. If it is the latter, it would be patentable but not if it is the former.
  In adjudging whether a particular invention is a business method patent or not, regard can be had to the kind of modifications being carried out in a system, if any, which may involve greater convenience to a consumer by change of the architecture, elimination of a physical step and similar tests".

- In the facts of the case, computer program is involved in the implementation of the invention but that is not the claimed invention, it is the method in which it is put into application which was sought to be patented. Court held the same to be a non-eligible business method.

XIX. Meaning of 'Common General Knowledge' in relation to inventive step assessment and meaning of 'Succinctness' of claims

In *Agfa Nv & Anr. vs The Assistant Controller Of Patents And Designs*, 2023 SCC OnLine Del 3493, dated 02 June 2023, the Court set aside the patent application rejection order of the Controller and directed the application to move to grant. On the various refusal grounds in the impugned order, the Court noted that,

- **Lack of inventive step and 'Common General Knowledge':** The prior art D5 related to "*application weight*" and not "*total dry weight*" as required by independent Claim 1 of the patent. Hence, the same was different.

- Controller relied on "common general knowledge" along with D5 which rendered the invention as a workshop modification. However, there was no reference of the 'common general knowledge' or why person skilled in the art would apply such 'common general knowledge'. Relying on Terrel, Court noted that "*to rely on 'common general knowledge'... it is essential to specify the source of the said knowledge*" and that such source should essentially be published before the priority date of the patent application. Further, "*the fact that a theory or principle or knowledge has become common knowledge needs to be substantiated by some evidence*" which could be in the form of references to 'common general knowledge' textbooks or research articles or standard documents.

- Such knowledge need not be at the forefront of the mind of the person skilled in the art (Relying on *Generics (UK) Limited* v. *Daiichi Pharmaceuticals Co. Ltd.*, [2009] R.P.C. 4).

- Invention has to be considered as a whole and not broken down into isolated elements (Relying on *Groz-Beckert KG* v. *Union of India & Ors.*).

- In this case, Controller failed to give any

source of 'common general knowledge'.

- **Lack of clarity and succinctness u/Ss. 10(4)(c) and 10(5):** While the Controller found some of the terms in the specification to be vague, Court after a detailed analysis of the specification found that each of the said "*expressions/ terms have been adequately explained*".

- Succinctness of the claim, in absence of clarity in Indian Patent Manual, implies that claim should not be "*unnecessarily lengthy*" (relying on Australian Patent Manual of Practice and Procedure). While claim 1 was lengthy, it was not unnecessarily lengthy as it defined interlinked specific features and expressions. Hence, claims cannot be said to lack succinctness.

- **Failure to give reasons:** Impugned order also failed to give reasons regarding lack of novelty or the inventive features in relation to claims 11 to 13 and merely gave conclusions.

- The corresponding patent application was granted in several countries.

- Further, Court also recommended the Office of the Controller General of Patents, Design and Trademarks to update the Manual of Patent Office Practice and Procedure, in order to provide better guidance on objections regarding lack of clarity and succinctness.

XX. Unreasonably long delay in passing order post oral hearing is arbitrary, whimsical and against legislative intent.

In the judgement dated 08th December 2023, in *Procter and Gamble Company v. Controller of Patents and Designs*, 2023 SCC OnLine Del 7832, a Single Judge was dealing with an appeal from an order rejecting a patent application on grounds of lack of inventive step. The impugned order was passed by the Controller 4 years after the oral hearing of the subject matter. The Court set aside the impugned order and remanded the matter for reconsideration by a different officer since the manner of dealing with a patent application was found to be "*extremely arbitrary and whimsical*". Further, Court noted that,

- When the judgement was reserved by the Controller, order should have been passed within a reasonable period (not beyond three to six months) even though no specific time is prescribed for the same post oral hearings. Controller took four years which leads to loss of life of the patent.

- **Impugned order was against the Patent Rules 2003:** The Controller before passing the impugned order had sought certain clarification from the applicant, however even before the applicant could respond, the order was passed on the next working day. This is against Rule 12 of the Patent Rules, which provide the applicant with a period of six months to respond to such information sought under Sec. 8(2) by the Controller.

- Secs 14 and 21 of the Patents Act along with Rule 24(B) of the Patent Rules prescribe strict timelines "*right from the filing of request of examination, preparation of the examination report by the examiner of patent, consideration of the examiner's report by the Controller, issuance of statement of objections, reply to statement of objections and the time for putting the application in order for grant*". Therefore, the intention of the legislature was to ensure that "*no unnecessary delays are caused in the process of grant of patents*".

XXI. Directions to Patent Office, due to unreasoned orders passed by Controllers.

In, *Huhtamaki Oyj And Anr vs Controller Of Patents*, 2023 SCC OnLine Del 3272, dated 26 May 2023, a Single Judge was dealing with an appeal from an order rejecting a patent application on grounds of lack of inventive steps "*without even a word of independent reasoning, merely reproducing the contents of the hearing notice issued to the appellant*". The Court noted that,

- The Assistant Controller "*has completely abdicated the duty cast on her to dispassionately consider the petitioner's application*".

- There is a "*endemic problem in the office of the Controller of Patents and Designs reflected in*" rejection of "*patent applications by merely reproducing the objections issued to the proposed patentee, without even a word of reference to the reply*" filed by patentee in response to such objection and without application of mind.

- Patent term is 20 years, computed from date of application and not

date of grant. Therefore, such unreasoned orders rejecting the patent applications will lead to the patentee being involved in unnecessary litigations thereafter, which leaves hardly any residual life for the patent if granted.

- Accordingly, the Court made the following directions to Controller General of Patents and Designs, which if not strictly followed shall invite disciplinary action,

"*(i) Every order which either*

(a) *rejects an application seeking grant of a patent, or*

(b) *accepts, or rejects, any pre- or post-grant opposition to such applications,*

shall be reasoned and speaking, and shall deal systematically and sequentially with each objection that requires consideration, whether contained in the FER, or the hearing notice, or in any pre- or post-grant opposition, and provide reasons as to why the objection is sustained or rejected.

(ii) If there is no pre- or post-grant opposition to the patent, and objections are raised only by the office of the Controller itself, in the FER or Hearing Notice, and the reply of the applicant in response thereto is found to be worthy of acceptance, then, too, the order granting the patent should briefly state why the applicant's reply is accepted, as this would facilitate any post-grant opponent, who seeks to oppose the grant of the patent, or seek its revocation, after the patent is granted.

(iii) The requirement of a reasoned and speaking order would obviously not apply if the patent, as sought, is granted, and there is no objection in the FER or hearing notice, or pre- or post-grant opposition thereto."

XXII. Objections cannot be raised for first time in the impugned order or during hearing.

In *Adama Makhteshim Ltd V. The Controller of Patents*, C.A.(COMM.IPD-PAT) 167/2022, dated 01 May 2023, the Court set aside the order of the Controller by which the patent application was rejected on ground of Sec. 10(4)(a) of the Patents Act.

The Court noted that, "*Despite the specification being found non-compliant with Section 10(4)(a), it is worth noting that this objection was not raised in either the FER or the Hearing Notice. The first time that Appellant was confronted with this objection was in the impugned order, which raises concerns over the fairness of the process. Although a hearing was provided, it does not absolve the Respondent of their obligation to communicate all objections prior to refusal. Therefore, the Appellant's right to due process has been violated*". Court noted that procedural irregularities vitiated the impugned order. Accordingly, the order was set aside and matter was remanded for fresh consideration.

Court also noted that "*since the orders of the Controller under Section 15 of the Act are subject to judicial review in appeal, it would be advisable for the Controller to examine all grounds of objection while deciding an application, even if the application is found to be non-patentable on any one of the preliminary or technical grounds. This approach would expedite the process of granting patents by allowing the Courts to assess the patentability of inventions if the technical objection is overruled. Only if the merits of the claims and issues relating thereto are interlinked with technical grounds, this approach may not be feasible, and an observation should be recorded to that effect. However, in situations where the grounds of refusal mentioned in the Hearing Notice are independent and can be examined as such, a comprehensive order should be passed addressing all of the objection*".

XXIII. Another unreasoned order with new objection during hearing, another order set aside.

In *Man Truck Bus SE v. Assistant Controller of Patents and Designs*, 2024 SCC OnLine Del 874, dated 09 February 2024, the Court dealt with Controller's order rejecting a patent application. The Court relied on the principles in the following judgments,

- *Agriboard International LLC v. Deputy Controller of Patents and Designs* (C.A. (Comm. IPD-PAT) 4/2022), observing that the said decision notes that "*application of mind and recording of reasoned decision are basic elements of natural justice and scrupulous adherence to these principles would be required while rejecting patent application*". Further, it was also pointed there that "*Controller has to analyse as to what is existing knowledge and how the persons skilled in the art would move from exist-*

ing knowledge to the subject invention".

- *Otsuka Pharmaceuticals Co. Ltd. v. The Controller of Patents* (C.A. (Comm. IPD-PAT) 2/2022) which stressed that all outstanding objections must be communicated in the hearing notice and objections cannot be raised during hearing thus depriving opportunity to respond.

- *Perkinelmer Health Sciences Inc. & Ors. v. Controller of Patents* (C.A. (Comm. IPD-PAT) 311/2022) which had reaffirmed that "*raising new grounds at the time of hearing was impermissible*".

Applying the above principles, the court held that the impugned order faltered on the following aspects: *firstly, it did not provide any discussion as to how the teachings of the prior arts would make the invention obvious, and no analysis was offered; secondly, objection relating to one of the prior arts i.e., D5 which formed the fulcrum of the conclusion for the refusal order, was never asserted or raised in the notice of hearing or any time prior to the same.*

Accordingly, the impugned order was set aside, and the matter was remanded for fresh consideration.

XXIV. Claim amendment broadened scope of original claim and public clinical trial information did not demonstrate enhancement of efficacy, leading to rejection of appeal.

In *Ovid Therapeutics, Inc. v. Assistant Controller of Patents And Designs*, 2024 SCC OnLine Del 875, dated 09 February 2024, where the patent application was rejected on grounds of (i) Secs. 3(d) and 3(e), (ii) lack of inventive step, (iii) insufficiency of disclosure, and (iv) claim amendment in breach of Sec. 59. The Court while dismissing the appeal, noted that,

- **Claim amendment:** Since the amended claim 1 omits the name of the disease, there is expansion of scope of the subject patent which is impermissible.

- **Section 3(d) and enhanced efficacy:** Requisite data or results of lab experiments demonstrating enhanced efficacy should generally be disclosed in the complete specification. However, "*additional data, such as data from Clinical Trials which becomes available, only post the filing of the patent application*" may be considered by the patent office and by the Court.

- The composition, in facts of the case, was merely a derivative. Results of phase 3 trials, which were publicly available and necessary to determine efficacy, were not placed on record. As per publicly available results of Phase 3 clinical data, Court found that subject invention lacked therapeutic efficacy.

Other Patent Infringement Disputes

XXV. Tests in Patent Infringement Suits

In *Rxprism Health Systems Private Limited & Anr. v. Canva Pty Ltd & Ors.*, 2023 SCC OnLine 4186, the Court was dealing with an infringement action brought by an Indian start-up. The Court noted that,

- **Tests in patent infringement suit:** The broad settled position is: "*a) That the claims have to be construed in a purposive manner. On the basis of the claims of the patent specification the Defendant's product is to be compared for assessing infringement; b) In the process of comparison, trivial variations would not matter, and the Court has to assess if the Defendant's product is producing the same effect or is 'equivalent', to the invention claimed and disclosed in the Patent. c) The comparison between the Plaintiff's product and the Defendant's product can only lend support for the purposes of understanding of the technology and the features of the two products. However, the Product vs. Product comparison shall not be determinative of infringement. It is the Granted Claims vs. Product comparison that is determinative of patent infringement*".

- Applying the above principles, the Court found that the Defendants were, *prima facie*, infringing the Suit patent.

- In context of invalidity challenge by the Defendants, at the interim stage, the Court recorded its finding that "*the Plaintiff's patent is inventive over the said closest prior arts*". Hence, no credible or sustainable challenge was found to be raised at the interim stage.

Accordingly, the Court restrained the Defen-

dants "*from making available their Canva product with the 'Present and Record' feature, which infringes the Plaintiff's suit patent... or use any other feature that would result in infringement of the Plaintiff's patent...*". Further, since the Defendants were based in Australia and had no Indian assets nor a physical business in India, Court also directed deposit of INR 50 lakhs in form of FDR as security for Plaintiff's claim for past use of the infringing feature in India. Cost of INR 5 lakhs was also imposed considering the facts of the case and the language in the Written Statement against the Plaintiff.

XXVI. Damages: Patent infringement suit decreed for sum of INR 81, 44, 925/-, after Defendant chooses to stay away from proceedings.

In post-trial judgement dated 20 October 2023, in *Strix Ltd. v. Maharaja Appliances Ltd.*, 2023 SCC OnLine Del 6763, the High Court awarded INR 81, 44, 925/-, comprising 50 lakhs notional damages, in favour of the patentee, who had filed the infringement action in 2009. The Court noted that in case where evidence is not led, damages have to be notional and are to be considered on a reasonable/ fair basis and Court can make broad assessment of profits, on the basis of the evidence on record and publicly available records. Interim injunction was granted on 10 September 2009 and the Suit Patent expired during pendency, rendering relief of permanent injunction infructuous. The Court noted that,

- **Defendant's conduct**: Defendant tried to delay the proceedings by seeking repeated adjournments, and deliberately chose to stay away from the proceedings to ensure it is not required to produce its accounts. Costs had been imposed twice on the Defendant, its evidence was closed, and Defendant was proceeded *ex parte*. In August, 2014, Defendant's counsel took discharge and the matter was pending thereafter.

- **Invalidity and exhaustion not established**: Court independently examined the cited prior arts, finding one of them sufficiently different and other two as post the priority date of the Suit patent. Hence, patent was valid. Defendant failed to establish exhaustion and suppression and did not lead evidence on issue of non-infringement.
- **Decree of rendition of accounts not feasible**: Court noted that Defendant would again avoid court proceedings and hence monetary compensation deserves to be awarded.

- **Notional Damages**: Since date of serving of legal notice, 27 September 2007, Defendant has sold infringing product for 2 years till grant of interim injunction and monetarily gained therefrom.

- Relying on *Hindustan Unilever Limited* v. *Reckitt Benckiser India Limited*, *Koninklijke Philips Electronics N.V.* v. *Rajesh Bansal and Ors.*, and Rule 20 of the Delhi Court IPD Rules 2022, it was noted that various aspects such as sales made by the Defendant, market share of the Defendant, royalty which the Defendant would have to pay if the infringing product had to be a licensed product, have to be considered before awarding damages.

- Relying on UK Court of Appeal's *Gerber Garment Technology Inc.* v. *Lectra Systems Ltd.* [1997] R.P.C. 443, noted that if patentee cannot prove the loss, it is permissible to assess the same on a reasonable royalty basis. Where the patentee is a manufacturer of the patent product, reasonable profit that the patentee would have had earned if the infringing products were in fact sold by the patentee would be reasonable measure.

- Once infringement is established, the Court can infer that reasonable invasion of the patentee's monopoly would cause damage to the patentee and accordingly, a fair and reasonable measure can be adopted by the Court for computing the damages.

- Plaintiff's witness has not given any evidence of damages and the Defendant's sales or profits are not disclosed on record. Defendant cannot be at an advantage after having chose to stay away from the proceedings.

- Court found that Defendant's public stand is that it is one of India's leading home appliances companies with over 60 products, has 18 product categories as per its website, and claims to have annual turnover of INR 180 crores as per press clipping dated 12 October 2007. Dividing this turnover amongst broadly 18 categories, gives 10 crores and considering that infringing kettles may not be most expensive, the annual sales of

kettles were taken at INR 5 crores and divided into two models of kettles sold by Defendant, amounting to sales of 5 crores over 2 years for the infringing kettle model. Thereafter, based on invoice placed on record by Plaintiff, the sale price of one kettle is INR 1400 and the average price of Plaintiff's patented invention is INR 270. Based on this, Court estimated that approximately 35,700 units were sold amounting to INR 96 lakhs as profits. Based on this, damages of INR 50 lakhs were awarded in favour of the Plaintiff. Cost of the 15-year long litigation incurred by Plaintiff amounting to INR 31,44,925/- was also awarded.

XXVII. Parties have duty of candour and must approach Court with clean hands, otherwise equitable relief will be denied.

In the judgement dated 14 December 2023, in *Freebit AS v. Exotic Mile (P) Ltd.*, 2023 SCC OnLine Del 8213, the Court re-iterated the principle of full disclosure of all relevant and material facts in the suit that is filed by the Plaintiff. The Court noted that,

- As per the High Court's Patent Suit Rules, 2022, "*it is necessary, to the extent possible, for a plaint to include details of corresponding foreign patent applications, as well as information relating to any orders passed by a Court or Tribunal concerning the same or substantially similar invention as asserted in the Suit*". Even under CPC, the Plaintiff has a duty to file those documents which are adverse to the case of the Plaintiffs. In the present case, "*in respect of some of the countries, where the suit patent has either been revoked, refused, abandoned, lapsed, have been shown as either pending or granted*". Further, "*minor lapse in mentioned an incorrect status*" could have been ignored by the Court but here "*there is gross suppression and misrepresentation of material facts, which would have a bearing on the case*". The information supplied in Form 3 was also incorrect.

- The Plaintiff ought to have made full disclosure in its suit. This disclosure is not limited to facts that strengthen its case but also all the information that can potentially aid in a comprehensive and fair adjudication of the dispute. The duty of disclosure encompasses not only the submission of all documents pertinent to the current litigation but also an obligation to inform the Court of any previous litigations between the parties, any previous litigations concerning the suit patent, along with their respective outcomes.

- Reliance was placed on *FMC Corporation And Ors v. GSP Crop Science Private Limited*, [2022 SCC OnLine Del 3784], to hold that 'suppression and misrepresentation' is one of the grounds available to a Defendant to challenge the grant of an interim injunction.

- Court also found two UK judgments which seriously impinged on the validity of the Suit Patent. No prima facie case was established since the Suit Patent was thus vulnerable to revocation.

- In light of the factual circumstances, the Court dismissed the interim injunction application and imposed cost of INR 5 lakhs upon the Plaintiff.

XXVIII. Meaning of Credible challenge and where a technical body has held patent to be valid in appeal, that itself make a case of *prima facie* validity.

In *Pharmacyclics LLC & Anr.* v. *Hetero Labs Limited & Ors.* and *Laurus Labs Limited* v. *Union of India & Ors.* etc. (batch matters), 2023: DHC: 9246, dated 21 December 2023, the Single Judge was dealing with grant of interim relief in relation to the anti-cancer drug Ibrutinib. The judgment dealt considerably with the validity of the judgment passed by the IPAB which had overruled the order of the Controller deciding the post-grant opposition in favour of the opponent and had thus restored the patent as valid. Defendants had argued that all orders passed by the IPAB during the "*twilight period*" from 21 September 2019 (when tenure of the IPAB chairperson had ended) to 27 November 2020 (when Supreme Court had held vide its judgment that tenure of IPAB chairperson had in fact ended) were of no value since the chairperson was "*coram non judice*". Court refused this argument and further noted that,

- **Scope of Writ Court:** The judgement of IPAB was challenged by way of writ. Court noted that "*writ court does not sit in appeal over the decision under challenge, passed by the hierarchically lower judicial or quasi-judicial authority*" and "*scope of judicial review is restricted to the manner in which the decision under*

challenge has been arrived at, rather than the merits of the decision itself".

- No case for grant of stay made out in relation to the IPAB judgment. The IPAB rendered a well-considered decision, offering cogent and convincing reasons. A stay would mean undoing restoration of the patent and reviving the revocation and the present was not an exceptional case meriting such interference.

- **Meaning of Credible Challenge:** Holding that credible challenge against patent validity is not made out, the judge noted that credible challenge requires "*a fairly high standard to be met. Where the defendants' submissions merely suggest a possibility of the validity of the suit patent as being questionable, it cannot be said that a credible challenge has been launched*".

- Further, court noted that the judgment of "*IPAB itself makes out a prima facie case of validity of the Suit Patent*".

- **Actual publication is required for prior art to be prior published:** An article which is sent for publication without "*expectation of confidentiality*" does not become a prior art from the date it is sent for publication merely because of that. The actual publication date matters. Hence, such article cannot be pressed into service for invalidity challenge basis the date on which it was sent out for publication.

While granting injunction, considering the importance of the drug, the Court permitted Defendants to exhaust the stock available with them subject to placing details of such stock in an affidavit.

MADRAS HIGH COURT

I. **Scope of 'Diagnostic' in Section 3(i) is not limited to *in vivo* or specific diagnosis.**

In a significant first-of-its kind judgment dated 12th October 2023, the Madras High Court clarified the scope of the word 'diagnostic' in Sec. 3(i) and rejected attempts to borrow from European Patent Convention (EPC) and decisions rendered thereunder. While interpreting the expression "*any process for the diagnostic... or other treatment of human beings*" basis text and context, the Court held that,

- Treatment is provided to free/cure a person from disease and for prophylactic purposes, to alleviate pain, prevent aggravation of or to better manage a condition or disorder. Hence, 'Diagnostic' in Sec. 3(i) cannot be confined to treatment of human beings to render them free of disease.

- **Section 3(i) and pathology:** The words- medicinal, surgical, curative, prophylactic and therapeutic- are all specific methods of treatment of human beings. The generic expression "*or other treatment of human beings*" indicates that "*treatment*" is intended to be construed widely. When viewed in context of association with "*forms of treatment*", "*diagnostic*" should be limited to processes that disclose pathology for treatment of human beings.

- **Determinative Factor** is whether the diagnostic test is inherently and *per se* capable of identifying the disease, disorder or condition for treatment of person. The label used for the test is not determinative and determination has to be on a case-to-case basis.

- **Construction of 'Diagnostic'** in Sec. 3(i) cannot be curtailed by limiting the scope to *in vivo* diagnosis or definitive diagnosis. Expansion of the limitation is also not called for. The standard is to examine the claims, in context of Complete Specification, to determine whether it specifies a process for diagnosis for treatment. If so, even if such diagnosis is not definitive, it would be patent ineligible.

- **Screening v Diagnosis**: If a screening test is capable of identifying the existence/ non-existence of a disease, disorder or condition and/ or the site, extent, severity or other aspects thereof for treatment of human beings, irrespective of whether the person concerned is asymptomatic or symptomatic, such screening test would qualify as diagnostic test, even when the same may be subject to confirmation by definitive tests.

The Court urged the legislature to consider restricting scope of the expression 'diagnostic' in Sec. 3(i) to *in vivo* processes and counter balancing by providing for compulsory licensing.

Factually, in context of national phase application titled, "*Fetal Genomic Analysis from a Maternal Biological Sample*" related to non-invasive pre-natal testing, the Court set aside the rejection order of the Controller and noted that the claimed invention is *per se* incapable of identifying the existence or otherwise of a disease/ disorder/ condition, and further testing would be required. Determination of foetal fraction (proportion of cell free DNA in maternal blood that comes from placenta) in the claimed invention provides an indicator, which is relevant for further testing to arrive at a diagnosis.

Case: *The Chinese University of Hong Kong & Anr v. The Assistant Controller of Patents & Designs*, 2023 SCC OnLine Mad 6372

II. **Writ Jurisdiction in patent matters: Right of action v. Cause of Action.**

In its judgment dated 03rd January 2024, in *University Health Network v. Adiuvo Diagnostics Pvt. Ltd. & Ors*, 2024 SCC OnLine Mad 185, the Court dealt with an interesting factual situation wherein the patentee/ fourth respondent had filed a National Phase application in Delhi patent office. Writ petitioner had filed a Pre-Grant Opposition (PrGO) with Delhi office on several grounds. The application and the PrGO was assigned to an officer based in the Chennai office. By order dated 19 July 2023, the PrGO was rejected, and patent was granted.

In the writ filed by the opponent before the Single Judge, the fourth respondent raised issue of jurisdiction basis the fact that the appropriate filing office for application and the opposition, and the granting office was the Delhi patent office. Administrative exigencies which led to the application being heard by a Chennai officer cannot alter the appropriate office, Delhi High Court being the convenient forum. Upon dismissal of this objection by the Single Judge, fourth respondent filed the Writ Appeal. The Writ Appeal Court held that,

- Jurisdiction for a writ under Article 226 has to be determined in terms of the said Article.

- Irrespective of the location of the appropriate patent office, a High Court will have territorial jurisdiction if part of cause of action arose in its jurisdiction.

- The writ petitioner (opponent) was carrying on its business in Chennai and would be affected by grant of the patent.

- There is a difference between right of action (which can arise through the filing of opposition, refusal of the same and the consequential grant of patent) and cause of action (which can arise in Chennai where violations of principles of natural justice is said to take place). The appropriate patent office might be useful for place of appeal whereas the present was a writ action.

- Further, the opponent is in Chennai and the patentee is located in Canada. The counsel for the parties have their offices in Chennai. Therefore, Madras High Court was also the *forum conveniens*.

Seeing no grounds to interfere, the writ appeal was dismissed.

III. Factors for determining Inventive Step.

In *Kuraray Inc. & Anr. v. Assistant Controller of Patents & Designs*, 2023 SCC OnLine Mad 7568, dated 29th November 2023, the Madras High Court dealt with a patent application rejection order. The order was based on sole ground of lack of inventive step.

Relying on the *Agriboard* decision of Delhi High Court, Court noted that three elements should be borne in mind while conducting obviousness analysis: the invention disclosed in the prior art; the invention disclosed in the application; and the manner in which the subject invention would be obvious to a person skilled in the art.

Court further noted that the invention disclosed in D1 prior art is intended to solve a different problem and a person skilled in the art would not be motivated to consider the use of a material suggested by D1 on a standalone basis for resolving the problem that the claimed invention is targeted to resolve.

The application was directed to proceed to grant.

IV. Patent eligibility of Business methods u/s 3(k)- MHC lays down a test?

In *Priya Randolph & Anr. v. Deputy Controller of Patents and Designs*, 2023 SCC OnLine Mad 7890, in the First Examination Report there were objection related to (i) inventive step and (ii) section 3(k)- computer program *per se*. However, in the hearing notice, objections of (i) lack of sufficiency and (ii) ineligibility owing to invention being a business method were raised as pending objections. Patent application was finally rejected for the reason that it related to a business method. The Court noted that,

"*The CRI Guidelines, which provide guidance but should not be construed as providing an authoritative interpretation of Section 3(k), indicate that a claim would be construed as a business method if the claim is, in substance, for a business method. On examining the appellant's claims, especially independent claim 1, it appears that the claims are directed at concealing the physical address of the purchaser of goods in e-commerce transactions by deploying software, hardware and firmware for such purpose. While it is possible that the conduct of e-commerce in this manner may be part of the business method of an enterprise if the claimed invention were to be put to use, the monopoly claim is not in respect of a business method but in respect of a claimed invention deploying hardware, software and firmware for purposes of data privacy and protection. Therefore, the conclusion that the claimed invention relates to a business method is untenable.*"

Basis the above reasoning, the Court set aside the impugned order and remanded the matter to patent office for reconsideration by a different officer.

V. Section 3(d) interpreted by MHC; Anti-evergreening bar not to apply if there is no known substance.

In its judgement dated 20 December 2023, in *Mr. Tony Mon George v. Deputy Controller of Patents & Designs*, 2023:MHC:5451, the Court dealt with a rejection of an application relating to two polymorphic forms of RTA-408. The patent for RTA-408 had been granted in India. The publication date of the RTA-408 application was post the priority date of the polymorphic forms' application. Two other prior arts were cited for demonstrating lack of inventive step and failure to cross threshold of Sec. 3(d). The Court noted that,

- **Section 3:** Claims which fall within Sec. 3 will not qualify as inventions due to legal fiction, even if they meet requirements of Sec. 2(1)(j), unless they pass through the exemption filters built into some of the Sec. 3 clauses.

- **Section 3(d):** Sec. 3(d) has 3 parts; first 2 parts deal with claims relating to known substances. The first part deals with new forms of a known substance and the second part deals with new uses/properties of a known substance.

- Since, RTA-408 was published/ made known to public after priority date of the polymorph invention, it does not qualify as a known substance u/sec. 3(d).

- The crystalline forms/polymorphs were not new forms of two other prior arts because chemical composition of the former was different compared to one of the prior arts and there were structural differences compared to the other prior art.

- **Inventive Step:** Since RTA-408 application was not published before priority date of the invention, it could not be considered a valid prior art for determination of lack of novelty or lack of inventive step.

- Further, 100+ compounds were possible from prior art D3 and there was no reason why a skilled person of the art would pick one compound TX-63682 therefrom and use that to arrive at RTA-408 by adding methyl substituent in position 4a, more so when there were several other compounds in D3 with lower IC_{50} values- just like for the subject invention.

- **Section 3(e) and Synergistic effect:** Since there was no proof of synergy or composition being more than the sum of its parts, the composition claim failed test of Sec. 3(e) and was rejected.

The other claims were allowed to proceed to grant.

VI. Scope of Section 3(d), and interpretation of Section 3(e).

In its judgment dated 20 September 2023 in *Novozymes v. Assistant Controller of Patents*, (T) CMA(PT)/36/2023, the Court laid down important rules for interpreting Secs. 3(d) and 3(e). Court was dealing with appeal from a rejection order in respect of an invention titled, "*Phytase Variants with Improved Thermostability*". The rejection was primarily on grounds of Secs. 3(d) and 3(e). The Court held that,

- **Section 3(d):** Sec. 3(d) does not apply only to pharmaceutical and agro-chemical substances. It can also apply to biochemical substances.

- Test of efficacy would vary depending on the product under consideration.

- The principle of *ejusdem generis* is applicable to the expression "*and other derivatives of known substance*" occurring in Explanation to Sec. 3(d). It covers all chemical derivates of a known substance. Hence, the Explanation is inapplicable to the claimed invention, which is for variants of a phytase, i.e., an enzyme/ biochemical. However, such invention still must cross hurdle of Sec. 3(d) since the Explanation does not apply to the provision in entirety.

- Primary function of a phytase is to catalyse digestion but it does not mean that enhanced hydrolysis of phytate by variants of a phytase should be established as essential pre-requisite for demonstrating enhancement of known efficacy of phytase. Even increase in thermostability which precludes denaturation and enables production, storage and sale in pellet form, enhances the known efficacy of the enzyme.

- In cases such as these, where Explanation does not apply, the Patent applicant must establish that there is a reasonable enhancement of efficacy, i.e., material enhancement from an improvement of efficacy perspective.

- **Section 3(e):** Sec. 3(e) applies to substances obtained by merely mixing two or more components/ ingredients and the produced substance must be more than the sum of the parts to cross the eligibility bar.

- If any of the ingredients of the composition independently satisfies the requirements for an invention under the Patents Act, a patent may be applied for and granted in respect thereof notwithstanding Sec. 3(e).

- Sec. 3(e) bar is not just limited to independent claims.

Court held that the claimed invention satisfies test of Sec. 3(d), however some of the claims fail the test of Sec. 3(e). The rejection order was partly set aside, and the application was directed to proceed to grant basis the modified terms.

VII. Consequences of breach of Sec. 39 in relation to Patent of Addition, where main invention was first filed in India.

In *Selfdot Technologies (OPC) Pvt. Ltd. v. Controller General of Patents, Designs & Trade Marks*, 2023 SCC OnLine Mad 7520, the Appellant was a resident of India, and had secured a patent in India and in the US (through PCT route after first filing in India) for its main invention relating to a method for determining authenticity

or tampering of a security label and the method of recording colour profiling in relation thereto. Thereafter, a Patent of Addition (PoA) relating to method for an automated authentication of the security label was filed directly with USPTO without obtaining requisite approval u/S. 39 (foreign filing license). After obtaining the PoA in US, appellant filed application for the same before IPO, where the same was deemed to be abandoned u/S. 40 due to Sec. 39 contravention.

The Court noted that "*both the parent invention and the claimed patent of addition are not relevant for defence purposes or related to atomic energy*". Sec. 40 deals with substantive infractions of Sec. 39 and leads to drastic consequences. The purpose of the legal fiction of Sec. 40 is to prescribe consequences of a clear breach of Sec. 39, as opposed to procedural irregularities, and the scope thereof should not be extended beyond such purpose.

In facts and circumstances of the case, appellant's breach was considered, at worst, a technical breach but not such as would trigger deemed abandonment u/S. 40. The Controller was directed to deal with the application on merits while it could impose terms u/R 137 for the procedural violation by the appellant.

VIII. **Date of assignment v. Date of declaration relating thereto, in context of right to file patent application(s).**

In its judgement dated 19th December 2023, a Single Judge clarified that there is a distinction between the date of assignment of patent rights by the inventors and the date of declaration relating thereto, and the same ought not to be conflated. The Court noted that,

- Section 6 of the Patents Act sets out persons who are entitled to apply for a patent. Apart from the true and first inventor, the assignee thereof can also make an application for a patent.
- Where application is made by the assignee, Section 7(2) of the Patents Act requires applicant to provide proof of right to make application, which as per Rule 10 of the Patent Rules must be done within 6 months from the date of filing of the patent application.
- Where facts and circumstances, on a cumulative consideration, lead to inference that inventor's assignment of right is prior to the declaration of the same, one must recognize the distinction between date of assignment and date of declaration, and a patent application ought not to be rejected on a conflation of the two dates.

The appellant had filed a national phase application in India on 24 October 2014, arising from a PCT International Application of the year 2013. Declarations of assignment by the three inventors were filed subsequently before Indian Patent Office. One of the inventors had issued the declaration dated 07 February 2015, i.e., after date of filing of the patent application in India. Consequently, the patent office rejected the application for breach of Section 7(2). The Court considered that (i) the Appellant had made a declaration on 14 October 2022 asserting that inventors were in its employment and the invention was a work product in the course of employment and (ii) the inventors had filed declarations and the assignment before US Patent Office, wherein each had recorded that the assignee is entitled to claim rights in respect of the application filed before the US Patents Office and any corresponding foreign patent office. In these circumstances, the rejection order was set aside. The Court directed that the patent application be decided on merits within a period of four months from receipt of copy of the Court's order.

Case: *NEC Corporation v. The Assistant Controller of Patents and Designs*, 2023 SCC OnLine Mad 7894

IX. **Unreasoned orders by Patent Controllers/ Examiners set aside.**

1. ***Mitsubishi Electric Corporation*** v. ***Assistant Controller of Patents and Designs***, (T) CMA(PT)/11/2023, judgment dated 13 December 2023

In an appeal challenging the rejection order dated 28 February 2020 by the Patent Office, in respect of a National Phase patent application, the Madras High Court noted that,

- **Unreasoned Order**: While dealing with grounds of lack of inventive step and ineligibility under section 3(k), the Controller/ Respondent recorded conclusions without providing cogent reasons in support thereof.
- **Consideration of same prior arts and grant by EPO material consideration**: Controller did not consider "*the fact that the same prior art documents were considered by the European Patent Office before grant-*

ing patent". While the grant by EPO is not conclusive or dispositive, it is a material consideration that should have been considered while deciding the patent application.

- **Computer programs and section 3(k)**: Basis judgments of Delhi High Court, the Court noted that not all computer programs are patent ineligible under Section 3(k).

Since impugned order did not consider the above aspects, it was set aside and the matter was remanded back for reconsideration by a different officer.

2. On similar basis, in ***Microsoft Technology Licensing, LLC*** v. ***The Controller of Patents and Designs and Anr.***, CMA(PT) No. 21 of 2023 and CMP No. 17945/2023, dated 20 September 2023, the Court once again set aside the rejection order and remanded the matter back for reconsideration by a different officer. The Court noted that the impugned order reproduced two paragraphs of prior art documents D1 and D2, and recorded conclusions without any reasoning and without considering submissions of the appellant/ applicant in relation to lack of inventive step. Further, the EPO had considered the same prior arts and granted the patent. The test of obviousness being common across jurisdictions, consideration of same prior arts and grant of patent by EPO was a material consideration which was overlooked.

3. The aspect of unreasoned conclusions in context of lack of inventive step and insufficiency of disclosure have also been dealt with in ***Saint Gobain Abrasives, Inc. & Anr.*** v. ***The Controller of Patents and Designs***, 2023:MHC:5186, wherein the application rejection order was set aside and the matter was remanded back for reconsideration.

X. **Procedural lapses, non-filing of condonations, and the manner of claims cannot be reasons to reject a patent application.**

In ***Huawei Technologies Co., Ltd.*** v. ***The Controller of Patents***, CMA (PT)/5/2023 and C.M.P. No. 15804/2023, dated 19 September 2023, the Madras High Court noted that the patent application was not dealt with on merits. Rejection on the ground that method claims were not presented in proper form was held to be untenable when all device claims were deleted, and one claim was repeated due to clerical error. The Court noted that procedural lapses such as misnumbering of patent claims; or non-filing of petition to condone delay in filing Form 3 do not justify rejection of patent application. The rejection order was set aside, and the matter was remanded for reconsideration.

XI. **New grounds cannot be taken in refusal order by the Controller.**

In ***Monsanto Technology LLC*** v. ***Union of India & Ors.***, WP No. 15578 of 2017, dated 09 June 2023, there were 23 observations in the First Examination Report, which were narrowed down to 9 paragraphs in the Hearing Notice issued by the Patent Office. However, the impugned order rejecting the Patent Application drew reference to grounds under Section 10(4)(a), (b) and (c) of the Patents Act.

The Madras High Court noted that because of Controller's failure to set out the scope of inquiry in the hearing notice, the petitioner was denied the opportunity of meeting objections at the hearing. Further, the order had a finding in relation to an objection which was not raised in FER or in the hearing notice. For these reasons, the Court allowed the writ, quashed the order, and remanded the matter for reconsideration by the Patent Office.

XII. **It is against natural justice for Controller to rely on an Opposition Board's report that did not consider all evidence submitted by parties.**

Petitioner was granted a patent, and the 4th Respondent filed a Post-Grant Opposition (PoGO) thereto. Petitioner did not submit evidence while filing Reply Statement to the opposition. The opponent submitted additional evidence with its Rejoinder. On 27 May 2019, the Opposition Board submitted its recommendations. Petitioner filed expert affidavit on 17 June 2020 and the same was rejected. Petitioner filed a writ during pendency of which Controller permitted the additional evidence, i.e. the affidavit, same being done on 12 November 2020. Opponent also filed further evidence thereafter. Petitioner filed request for claim amendment on 03 February 2023, which was notified in Patent Office Journal on 11 July 2023. Impugned Hearing Notice was issued on 09 August 2023.

Court noted that both parties were permitted to file evidence after Opposition Board's report. Since the Board never considered such evidence, it would be meaningless for the Controller to decide basis such a report. For ensuring natural justice, the additional evidence of both parties must be considered by the Opposition Board. The Court also directed reconstitution of the Board to avoid confirmation bias. It also directed opposition to be decided in a time-bound manner.

Case: Optimus Drugs Private Limited v. Union of India, 2023 SCC OnLine Mad 8013

XIII. Test of Inventive Step & Who is Person Skilled in the Art

1. In judgment dated 31 January 2024, in *Rhodia Operations v. Assistant Controller of Patents and Designs*, 2024:MHC:6024, a Single Judge was dealing with appeal from an order rejecting the patent application on ground of lack of inventive step. While agreeing with the rejection order and dismissing the appeal, the Court elucidated several concepts in relation to the test of inventive step:

    - **Test of Inventive Step:** Basis survey of judgments dealing with inventive step in Indian and UK courts, court noted that "*the inventive step inquiry should be carried out in the following manner: (1) identify the person skilled in the art; (2) identify the common general knowledge to be imputed to the person skilled in the art; (3) identify the inventive concept embodied in the claimed invention; (4) identify the differences between the prior arts and the claimed invention; and (5) decide whether those differences would be obvious to a person skilled in the art*".

    - Court began with identifying the inventive concept embodied in the invention since technical advance or economic significance requirement was, in view of the Court, an essential pre-requisite in obviousness analysis under Section 2(1)(ja). It noted that the claimed invention disclosed features not found in any of the cited prior arts thus satisfying the technical advance requirement. Question was- who is the Person Skilled in the Art and would the technical advance be obvious to such person?

    - **Person Skilled in the Art:** Person skilled in the art (PSITA/PSA) is a hypothetical person created by law. The law requires that obviousness analysis be carried out by slipping into the shoes of this notional person. Patents Act does not define the person skilled in the art or prescribe the attributes of such person.

    - **Level of PSA's skill:** Sec. 2(1)(ja) does not place any qualifier such as good, excellent, extraordinary etc. before the adjective "*skilled*". In context of sufficient enablement of invention, Patents Act requires a different notional person who is in India, possess average skill in and average knowledge of the art to which the invention relates. However, u/S 2(i)(ja) the PSA could be anywhere in the world, including India.

    - For inventive step, "*Skilled*" is an adjective qualifying the noun "*person*". As per dictionaries, it implies "*person having the ability to do a job, task or activity well*". The statute does not use words that indicates enhanced levels of skills nor words that indicate a low or average level of skill. Hence, a PSA is a person whose skill is good/ greater than average and such a person possess the skill to do the job well.

    - **Attributes of PSA and difference in relation to real skilled person:** Depending on the art, educational/ academic or vocational qualifications are likely to be required. Work experience would certainly be required because one does not ordinarily describe a person with the requisite educational qualifications but no work experience as skilled in the art. Such person would also be adept at using tools of the trade. A level of knowledge that a real person skilled in the art is unlikely to possess is imputed to the hypothetical person due to public policy requirement of not granting monopolies over matters previously known or obvious. Such imputation of knowledge is not, however, unqualified and is restricted to matters previously known in the art in which such person or team of persons is skilled. Further, legislative intent is not that the PSA should be omniscient. Further, banishing imagination in the notional person is not justified. PSA is not a person with inventive capability. Except to the extent that statutory prescription or the underlying public policy call for a departure from the characteristics of a real person skilled in the art, the notional person should, in my view, mirror a real person as closely as possible.

    - **Is it always necessary for the adjudicator to identify the person skilled in the art?** Court noted that "*if the patent applicant and the relevant patent office agree on the person skilled in the art, identification by the adjudicator is not necessary. By contrast, whenever there is disagreement, the adjudicator has to*

identify the person skilled in the art". To do so, "*the obvious starting point is the field of the claimed invention. Sometimes the person skilled in the art can be readily identified from the field of invention*" and "*depending on the nature of the claimed invention, the person, or team of persons, skilled in the art could be from a specific industry or industries or be proficient in technology with use cases in multiple industries*".

- **Mosaicing:** Express reference or cross reference in prior arts is not necessary. It is sufficient if there is teaching, suggestion or motivation in the prior art.

- A mere workshop improvement does not satisfy the test of inventiveness.

- **Combination v. juxtaposition or aggregation:** Court noted that "*invention claimed must normally be considered as a whole*". For a "*claim consisting of a 'combination of features', it is not correct to argue that the separate features of the combination taken by themselves are known or obvious and that 'therefore' the whole subject-matter claimed is obvious. However, where the claim is merely an 'aggregation or juxtaposition of features' and not a true combination, it is enough to show that the individual features are obvious to prove that the aggregation of features does not involve an inventive step. A set of technical features is regarded as a combination of features if the functional interaction between the features achieves a combined technical effect which is different from, e.g. greater than, the sum of the technical effects of the individual features. In other words, the interactions of the individual features must produce a synergistic effect. If no such synergistic effect exists, there is no more than a mere aggregation of features...*"

- The Court quoted with approval the following principles to be borne in mind while **deciding whether the person skilled in the art would combine the prior arts:** The suggested motivation to combine is extracted below: "*1) in the prior art references themselves; 2) in the knowledge of those of ordinary skill in the art that certain references, or disclosures in those references, are of special interest or importance in the field; or 3) from the nature of the problem to be solved, leading inventors to look to references relating to possible solutions to that problem*".

- **Analogous Prior Arts:** After analysis the prior arts relied upon in the impugned order, i.e., D5 and D6, court noted that both prior arts were in the same field as the claimed invention, and both were published before the priority date of the invention. Hence, they were analogous prior arts.

- **Differences between prior arts and the invention:** Court found that barring one "*conspicuous absentee*", many features of the invention were found in D5, while the "*absentee*" feature was found in D6. The question was- *Would the PSA combine these prior arts*?

Applying the above principles to the case, the Court noted that "*while D5 recites the use of polyamide or a mixture of polyamide and polyolefin as an optional barrier layer, there is no teaching away from the use of polyamide or a combination of polyamide and polyolefin as a barrier layer. From the teachings of only D5, a person skilled in the art would look at using HDPE and a barrier layer of only EVOH or a barrier layer that combines EVOH and polyamide/mixture of polyamide and polyolefin. D6, however, not only teaches the use of novolac resin, but demonstrates the benefit of combining a polyamide, such as nylon 66, with a novolac resin. This tilts the balance. Indeed, even the ethylene-propylene-diene impact modifier (EPDM) disclosed in D6 is referred to at internal page 10 of the complete specification of the claimed invention. Therefore, in my view, when armed with the knowledge of both D5 and D6, while looking for a solution to the problem of permeability of fluids, it would be obvious to a non-inventive person skilled in the art and starting from D5 to combine the elements therein, particularly polyamide and polyolefin, with novolac resin to achieve higher impermeability, especially in respect of gasoline, and it would be a matter of routine experimentation to arrive at the claimed invention. I am bolstered in this conclusion by the fact that there are not many options in the realm of engineering plastics and the problem to be solved does not call for more expensive options such as the use of high performance polymers*".

Accordingly, Court concluded that "*the claimed invention would be obvious to a person skilled*

in the art on the basis of D5 viewed in the context of D6".

2. *Microsoft Technology Licensing LLC* v. *Assistant Controller of Patents and Designs*, 2024:MHC:1009

In this judgment dated 28 February 2024, a Single Judge was dealing with an appeal from an order rejecting a patent application on ground of lack of inventive step. The Court noted that,

- The assessment of inventive step of a claimed invention is to be made by a two-step process:
- identification of feature(s), if any, that involve technical advancement over prior knowledge or having economic significance or both; and
- determination of whether the technical advance or economic significance or both of said feature(s) makes the invention not obvious to a person skilled in the art.
- **Person Skilled in the Art:** Section 2(1)(ja) underscores the centrality of the person skilled in the art (PSITA). The obvious starting point in identifying PSITA is the field of invention, which is enabling applications in computers to receive sensor data by way of lightweight messages. The PSITA would, therefore, be a software engineer with an understanding of hardware/computer electronics. As regards level of skill, relying on *Rhodia Operations* v. *Assistant Controller of Patents & Designs*, 2024:MHC:6024, Court noted that the level of skill of the PSITA is above average/good and that she possesses the skill set to do the job well. Further, she is not omniscient, and that ingenuity or inventiveness cannot be attributed to her since the object of the exercise is to determine whether the claimed invention contains an inventive step.
- **Inventive Step assessment:** Court inferred that the solution provided by the claimed invention is the conversion of raw sensor data into messages that are transmitted to the subscribing application and may be easily read by such application. By contrast, the cited prior art does not envisage the conversion of raw sensor data into easy-to-read messages. Court agreed that both the cited prior art and the claimed invention provide for the transmission of sensor data to a subscribing application, but the difference lies in the manner in which such data is transmitted. Question is whether the difference between the cited prior art and the claimed invention would be obvious to a person skilled in the art.
- The difference D4 and the claimed invention is the manner in which sensor data is transmitted.
- To ascertain whether prior art D4 contains teaching, suggestion or motivation to lead the PSITA to the claimed invention, it is important to closely examine the problem that D4 sets out to solve.
- Court found that the problem addressed by the prior art and the claimed invention was different and even otherwise the recitals and disclosures in D4 do not suggest or motivate, much less teach, the PSITA to arrive at the claimed invention. Consequently, the claimed invention will not be obvious to PSITA because arriving at the claimed invention from D4 requires ingenuity and not mere skill in the art.

Court also noted that width of the claims needs to be whittled down to confine the scope of the monopoly claim. After suggesting amendment in respect thereof, the Court set aside the impugned order and directed grant of the patent subject to amendment of the independent claims as indicated by it.

BOMBAY HIGH COURT

I. Infringement action: Scope of patent right cannot be expanded, and where a patent comprises prior art elements in a particular sequence, then pith and marrow of the invention is the specific sequence of which there can be no infringement merely by use of the prior art elements in some other manner.

In *Tri- Parulex Fire Protection System v. CTR Manufacturing Industries Private Ltd*, 2023 SCC OnLine Bom 903, dated 25th April, 2023, a Division Bench was dealing with an appeal from an interim injunction granted by the Single Judge. Both the Appellant and the Respondent held a patent in their name for the system and method for preventing, protecting and/or detecting fire and explosion of electrical transformers. The difference was Respondent's patent included use of a differential relay. Respondent had filed the suit post losing a tender by Adani Electricity Mumbai Limited.

The bench, *inter-alia*, observed that the relief of interim injunction is wholly equitable in nature and the party invoking the jurisdiction must show that it was at no fault or responsible for bringing about the state of things complained of.

The appeal bench while allowing the appeal held that,

- By way of the impugned order, the Single Judge granted a right to the Respondent much beyond what was granted by the patent.
- Respondent's own case was that its patent consisted of a system which is generated in three systems- differential relay, Buchholz relay and circuit breaker, in a specific sequence. The specific sequence is the pith and marrow of the Respondent's patent.
- However, the Ld. Single Judge held that the moment the Appellant uses the differential relay as one of the components, it infringes Respondent's patent. This is an error apparent on face of record.
- The patent did not grant a monopoly on use of the three integers (differential relay, Buchholz relay and circuit breaker). Further, the documents on record clearly showed that these integers were a matter of prior art.
- The finding that use of the three integers in any combination even if different from the respondent's patent would amount to infringement is *ex-facie* erroneous.
- The non-mention of differential relay in Appellant's patent and the actual use thereof does not and cannot amount to infringement of respondent's patent. The infringement would happen if the 3 integers are in the sequence as of the Respondent's patent.
- The Single Judge erred in converting the respondent's patent into a product patent from a process patent.
- **Inconsistent stand in plaint disentitles Plaintiff from interim relief**: Respondent had stated in the written submissions that it is not essential for differential relay and Buchholz relay to work in a sequence to activate, this being contrary to stands taken in the Plaint. Such conduct disentitles one from interim relief.
- One of the documents- a technical drawing allegedly submitted by Appellant to Adani (for tender bid) and submitted by the Respondent was *prima facie* held to be of questionable authenticity.
- **Balance of Convenience**: By the injunction, the appellant was prevented from carrying on business of manufacturing and could not even execute orders that it had from BHEL exposing the appellant to damages. Appellant won't be able to bid for any projects excepts those where its patent is used and such projects may not be available. Even existing orders were cancelled. Balance of Convenience was clearly in favour of the appellant and in denial of injunction.

II. Unreasoned order of Patent Office set aside.

In *Amogreentech Co. Ltd. v. Assistant Controller of Patents & Designs*, 20-COMMP-1247-22, dated 26 June 2023, Ld. Single Judge while setting aside the patent application rejection order and remanding the matter for *de novo* consideration noted that,

- For determination of inventive step, the invention should be considered as a whole.
- **Unreasoned order:** There is a lack of analysis in the impugned order as to how the prior arts are comparable with Claim 1 of the application. Controller ought to have passed a speaking order and demonstrate independent application of mind.

CALCUTTA HIGH COURT

Patents Act

I. Amendments that clarify or limit scope of invention are not an admission of lack of novelty and inventive step.

In *Biotron Limited v. Controller General of Patents & Designs and Another*, 2023 SCCOnline Cal 4568, dated 17 November 2023, the Single Judge was dealing with an appeal from order rejecting a pharmaceutical patent application on grounds of lack of inventive step, insufficient disclosure, and Sec. 3(d). While remanding the matter for fresh consideration, the Court noted that,

- Drug development is a lengthy and complex process. Such compounds are marketed only after fulfilling market regulatory norms and clinical trials, which is post filing of the patent application. Thus, proposal to make additions, alterations or deletions after filing the patent application is not self-admission or acceptance of lack of novelty or inventive steps. Such amendments are permissible under the Act. Amendments by way of disclaimers are also provided to limit the scope of the invention or to remove doubts regarding meaning of the specification.

- Controller is bound to take all amendments into consideration for appreciating enhanced efficacy u/S. 3(d) and must provide reasons for rejecting the same.
- Sec. 3(d) of the Act does not bar patent protection for all incremental inventions of chemical and pharmaceutical substances. Controller must indicate the known substance or its known efficacy or the new form of the known substance in arriving at conclusions *qua* Sec. 3(d).

- Impermissible for impugned orders to arrive at a finding only on selective reading of subject specification.

II. Tests of Novelty and Inventive Step, and application to be re-examined post claim amendments

1. In *Guangdong Oppo Mobile Telecommunications Corp. Ltd. v. The Controller of Patents and Designs*, AID No. 20 of 2022, dated 13 June 2023, the Calcutta High Court was sitting in appeal over a rejection order by the Controller in relation to an invention titled "*Charging System and Charging Method, and Power Adaptor*". The rejection was based on ground of non-patentability u/S 2(1)(j), specifically lack of novelty, as well as on ground of lack of sufficiency. The Court noted that,

- **Test of Novelty:** The prior art document must disclose the whole of the invention which enables the invention. The prior art document must deal with the subject invention in completeness and must contain sufficient information to allow the invention to be put into practice. Respondent failed to demonstrate how the prior art contains all elements and deals with the invention in entirety. There are no reasons as to how the invention lacks novelty.

- **Mosaicing for inventive step:** Mosaicing is permissible, but the reasons for the same must be clearly spelt out. If several prior art documents are to be read in combination, there must be some common thread linking the claim with the prior art documents obvious to a person skilled in the art. Otherwise, mosaicing is not permissible.

- **Novelty v. Inventive Step:** The same document cannot be used for anticipation leading to loss of novelty as well as for demonstrating lack of inventive step in combination with other prior arts. The tests of novelty and inventive step are different and cannot coexist in connection with the same document.

- **New objections and claim amendments:** Sec. 13(3) of the Act makes it clear that upon amendment of claims, the amended application ought to be examined in a manner similar to the original application, i.e., it must be re-examined and a subsequent Examination Report must be issued. There has been a violation of statutory provisions in issuing the hearing notice citing additional objections and relying on the same without opportunity to the applicant to amend the claims and without issuing Second Examination Report (SER).

The rejection order was set aside, and the matter was remanded to the Patent office for fresh consideration.

2. On similar lines, in *Protean Electric Ltd. v. Controller of Patents and Designs*, dated 06 April 2023, AID No. 15 of 2023, the Court, while allowing appeal from a patent application rejection order and remanding the matter, noted that,
   - **Novelty v. Inventive Step:** The tests to determine novelty and inventive step are entirely different and can never co-exist with respect to the same document. The novelty

of an invention can be questioned only when a single document which is prior-published would contain a clear description of the claimed invention and the manner in which it has to be performed. Each and every feature of the claimed invention has to be disclosed in a single prior art and such prior art must also contain an enabling disclosure of the invention.

- **Inordinate delay is against Rules and spirit and object of the Act:** Inordinate delay was noted in the process of examination where Examination request was filed on 20 September 2014 and the FER was issued on 07 January 2019. Despite affidavits, Controller took 8 years to complete the entire examination process and the same is against Rule 24B of the Patent Rules and the spirit and object of the Act.
- **New prior arts cannot be introduced in Hearing Notice:** The 2 new prior arts in the hearing notice were held to be in violation of Sec. 13(3) since it alters the character of examination.
- If suggestion for amendments by the Controller are duly carried out, it is fair to assume that such application would be allowed. Suggestions cannot be for harassment and persecution of the applicant by raising new prior arts to deny patent grant.
- The order was also unreasoned since there were conclusions without analysing relevant facts.

III. For determining inventive step, invention must be considered as a whole.

In *Groz-Beckert KG v. Union of India and Others*, 2023 SCCOnline Cal 111, dated 18 January 2023, the patent application was rejected by the Controller on ground of, *inter-alia*, lack of inventive step. While holding that the conclusion *qua* inventive step is unreasoned thus setting aside the impugned order, and remanding the matter, the Court noted that,

- In determining inventive steps, the invention should be considered as a whole. It is not sufficient to conclude that claimed invention is obvious merely because individual parts of the claim taken separately are known or might be found to be obvious. The whole picture presented should be taken into consideration and not a partial one. Impugned order is erroneous since it dissects subject application into two isolated elements.
- There should be an element of preciseness about what is asserted to be common general knowledge.

IV. Data demonstrating enhanced efficacy can be filed after patent application in relation to Sec. 3(d)

In *Oyster Point Pharma v. Controller of Patents and Desings and Anr.*, 2023 SCCOnline Cal 2141, a single judge held the rejection order of Patent Office to be unsustainable and remanded the matter for fresh consideration. While dealing with findings on lack of inventive step and bar of Sec. 3(d), the Court noted that,

- **Sec. 3(d):** New form of known substance can be considered patentable only on demonstration of enhanced efficacy. For determining efficacy, results of experiments and comparative studies ought to be made before arriving at conclusions. The same were provided by way of additional documents but were not considered by the Patent Office. There is no specific time frame which prevents applicant from filing additional documents after filing the patent claim.
- **Inventive Step:** None of the cited prior arts directly teach or suggest the patent claim and would have required rigorous and diligent additional experimentation. Appellant distinguished prior art D1 from the invention, but the order does not discuss the same. Hence, findings in this aspect are unsubstantiated.

V. Treatment of plants is not a method of agriculture and not within scope of Section 3(h)

In *Decco Worldwide Post Harvest Holdings B.V. & Anr. v. The Controller of Patents and Designs & Anr.,* 2023 SCC OnLine Cal 1140, dated 19 May 2023, the Single Judge while setting aside a rejection order in relation to fungicidal treatment for a leaf-spot disease in banana plants noted that,

- The Manual is merely a guiding factor to statutory provisions and cannot have an overriding effect over the Act.
- Sec. 3(h) and Sec. 3(i) cover different categories of inventions. Sec.3(h) bars method of agriculture or horticulture and does not contemplate treatment of plants to render them free of disease. Sec. 3(i) deals with process for treatment or prevention, and before the 2002 amendment also included treatment of plants (the same being excluded now). Controller failed to explain why treatment of plants *qua* fungal diseases would fall u/S. 3(h) which covers traditional agricultural methods, more so when there is a separate

provision, i.e., Sec. 3(i) that does not itself bar such treatment.

- Reasons are the foundation of any order passed by any judicial or quasi-judicial authority. The main objective of providing reasons in any order is to provide clarity to the reader, and to understand how and why the matter has been proceeded and dealt with by the Authority.
- Appellants did not have adequate opportunity to address objection of lack of sufficiency of disclosure. There was no whisper of the same during the hearing.
- Findings *qua* lack of inventive step was also unreasoned and without appreciating the facts. There is no combination of prior arts which would help in determining whether the claimed invention lacked inventive step. It is important to read claims of a patent application with their specification and the Controller misdirected himself in appreciating the invention and comparing them with reference to the prior arts without understanding and appreciating the teachings thereof.

The matter was remanded back for consideration *de novo*.

Protection of Plant Variety & Farmers' Rights Act

VI. Challenge to validity of registered variety can only be before Registrar/Authority

In *Pan Seeds Pvt. Ltd. v. Ramnagar Seeds Farm Pvt. Ltd. & Ors.*, 2023 SCCOnline Cal 1432, dated 09 June 2023, the Division Bench was dealing with infringement of a registered plant variety PAN 804 genetically related to RASI variety, and having a purple stigma. The Single Judge had dismissed the interim injunction application. While granting injunction and setting aside the impugned judgment, the bench noted that,

- Basis definition of variety u/S. 2(za) and propagating material u/S. 2(r), plant variety includes propagating material which in turn includes the seeds. Therefore, registration of a variety would confer exclusive right on the breeder over the plant as well as the seeds.
- Registration of a variety under PPVFR Act by itself gave the Appellant the exclusive right to produce and deal with the variety, not subject to fulfilling the validity test.
- Sec. 89 of PPVFR Act like its corresponding Sec. 93 in Trademarks Act, 1999 imposed a bar on the civil courts to determine any matter over which the authority or the Registrar has jurisdiction. Once a plant variety is registered, it is not subject to the test of validity by the civil courts and even *prima facie* validity cannot be gone into. Only Registrar/Authority has the power to cancel registration on ground of invalidity. If an infringement action is brought before Court, it must take registration as valid. Only if the Defendant has taken steps for invalidity before the Registry does the Court have discretion to adjourn only the suit and not any interim application.
- Once the appellant has been able to register its variety, it is entitled to protect it by restraining others from growing, selling, marketing or otherwise dealing with the said variety. The court could only go into the question whether the appellant and the respondents' varieties were similar, for the purpose of consideration whether injunction should be granted.
- Further, the respondents were given an opportunity to file documents and affidavit to oppose the injunction, however, the appellant was not given an opportunity to deal with those documents, which was in violation of principles of natural justice.

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