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An e-newsletter from
Lakshmikumaran & Sridharan, India

June 2022 / Issue-129

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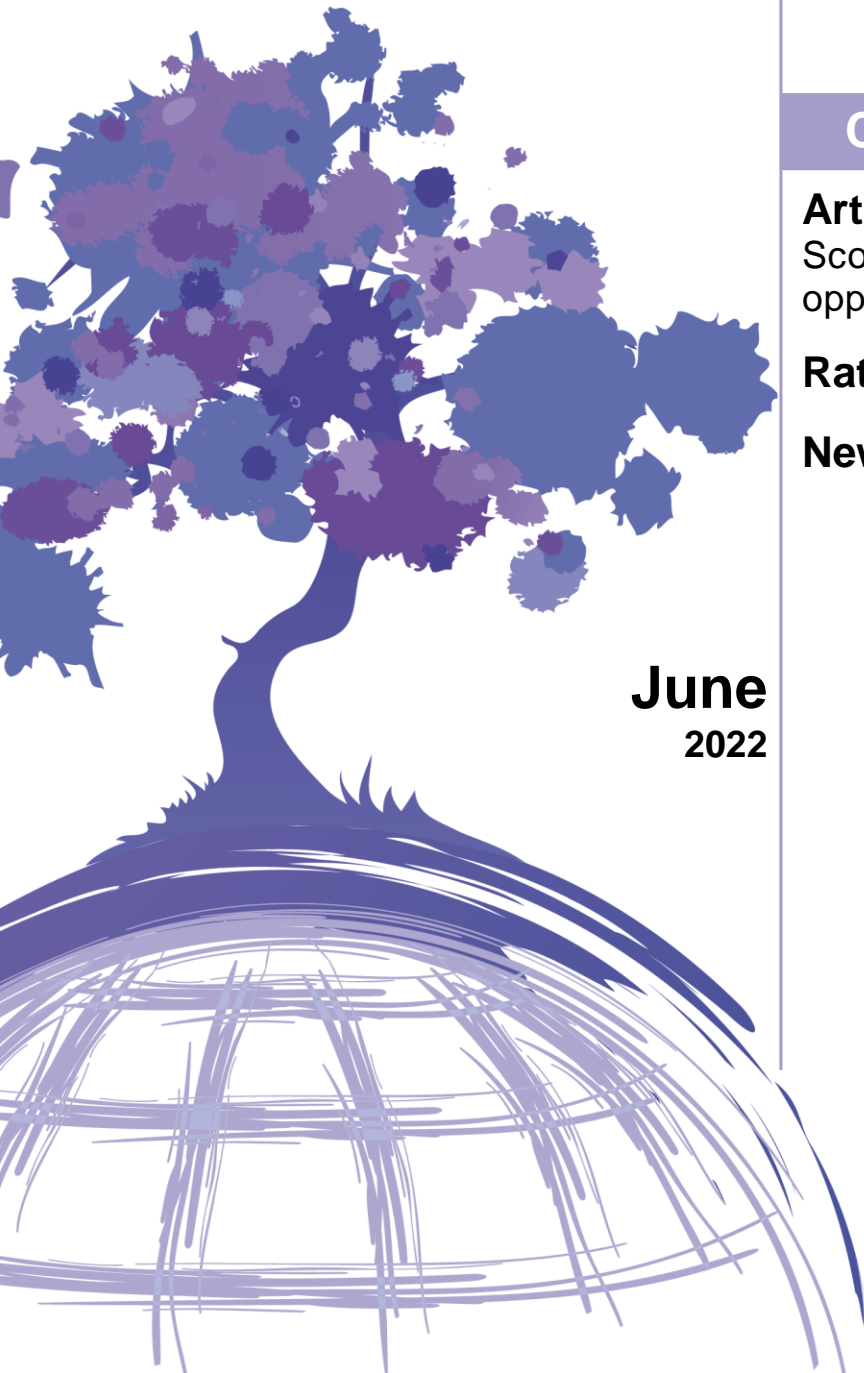
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Article

Scope of remand in pre-grant oppositions

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Introduction

The present article deals with a noteworthy decision of the Indian Patents Office ('IPO') on the pre-grant opposition under Section 25(1) of the Patents Act, 1970 ('Patents Act'). The said order was issued pursuant to the Delhi High Court ('High Court') remanding the matter to the Assistant Controller of Patents & Design ('Controller'). The said decision of the Controller is a reasoned upgradation of its earlier non-speaking order.

This article also outlines the intervention of higher judicial forums in matters where quasi-judicial authorities have not dealt with a case in compliance with the principles of natural justice. Under the pillar of natural justice, the adjudicating authority in a dispute must inform the parties of the reasons for a decision. pursuant to the direction¹ of remand by the High Court, the Controller in the said pre-grant opposition delivered a reasoned order, after examining the submissions of the parties on the grounds of inventive step, non-patentability, and sufficiency of disclosure at some length.

Facts and issues

Original hearing and order on pre-grant opposition

A pre-grant opposition under Section 25(1) of the Patents Act was filed by Precise Bio Pharma Pvt. Ltd. ('Opponent') on 24 December 2020

against Patent Application No. 2471/DELNP/2013 ('Application') filed on 20 March 2013, in the name of Ferring B.V. ('Applicant'). The Controller, after considering the oral and written statements by both the parties, concluded that the Opponent had failed to establish all the grounds of opposition, and dismissed the opposition. The patent was subsequently granted (IN 387567) with an amended set of claims on 27 January 2022 ('impugned order'). The granted claims of the patent recite an aqueous carbetocin composition with a pH from 5.2 to 5.65, a concentration of carbetocin from 0.05 mg/mL to 0.5 mg/mL, and an antioxidant selected from the group consisting of methionine or EDTA or methionine and EDTA.

Writ before the High Court

The Opponent challenged the impugned order on the ground that the Controller had not provided a detailed reasoning for the decision and filed a writ petition W.P.(C)-IPD 3/2022 before the High Court seeking the remedy of remand. The High Court set aside the impugned order and stated that since it was bereft of any reasoning, it was a non-speaking order in the eyes of the law. The High Court *vide* an order dated 3 March 2022, remanded the matter and directed the Controller to pass a reasoned order after hearing the parties. Subsequently, pursuant to a review petition, the High Court *vide* an order dated 22 March 2022, clarified that the Controller has to pass a *reasoned order* not necessarily resulting in a rejection of the pre-grant opposition. Therefore, the Controller was free to adjudicate

¹
http://delhihighcourt.nic.in/dhcqrydisp_o.asp?pn=45721&yr=2022

the remanded matter based on the facts, circumstances, and merits of the case, in accordance with law.

Hearing and order on remand

Following the High Court's directions, an opportunity of hearing, and filing written submissions, was offered to both the parties. However, the Opponent filed additional documents and requested for *de novo* hearing proceedings, which was rejected. After hearing and considering the submissions of the parties, the Controller dismissed the pre-grant opposition. In addition, the Controller noted that the conduct of the Opponent, post the High Court's direction, was indicative of abuse of process and law.

The issues in the case before the Controller were as follows:

- Whether *de novo* hearing is allowed at this stage when the matter is being re-heard on remand?;
- Whether the claimed composition lacks inventive step in the light of the cited prior art documents?; and,
- Whether the invention is non-patentable and lacks sufficiency of disclosure?

Decision and analysis

De novo proceedings at the stage of re-hearing on remand

This question was triggered as the Opponent misinterpreted the High Court's order to be directing a *de novo* hearing proceedings, and therefore filed additional documents. The Controller noted that no such direction was issued by the High Court. It was held that admitting the additional documents or grounds filed by the Opponent in the remanded matter would be equivalent to a *fresh* pre-grant opposition proceeding and would be contrary to the intent of the High Court's order. Therefore, no

additional documents or grounds were taken on record by the Controller.

Further, the Controller noted that an opponent is not remediless in case their pre-grant opposition is refused. In the instant case as well, the Opponent had other recourses available under law, for instance, they could have pursued a post-grant opposition under Section 25(2), or a revocation petition under Section 64 of the Patents Act, rather than taking a leap-frog approach, and bringing the matter before the High Court, bypassing the procedures established by law. The Controller relied upon the landmark decision of the High Court in *UCB Farchim SA v. Cipla Ltd. & Ors.*², wherein the Court had adjudicated on the question of maintainability of a writ petition under Article 226 of the Constitution, to challenge an order passed by the Controller rejecting a pre-grant opposition. In the said decision, the Court noted that the remedies that are available to an opponent in case a pre-grant opposition is refused, depend on whether the opponent is an '*interested person*', The High Court was of the view that the statutory remedy against rejection of a pre-grant opposition by an '*interested person*', was to file a post-grant opposition or a revocation petition. On the other hand, in case a pre-grant opposition filed by any person other than an '*interested person*' is rejected, there is no statutory remedy available and a writ petition under Article 226 may be maintainable in such case. In the present matter, the Controller found the Opponent to be falling under the former scenario. Therefore, it was held that the Opponent had alternate statutory remedies available and should have sought them first.

It was also held that the object of a pre-grant opposition was to assist the Controller in the prosecution of the patent application.

² 167 (2010) DLT 459

Lack of inventive step

The Controller stated that the inventive step should be assessed by asking: *'given the known prior art, would the claimed invention be obvious to a person skilled in the art, and is there any technical advancement over the prior art.'*

Based on the submissions provided by both parties, the Controller reasoned that there is no teaching or indication in the cited prior art documents to arrive at a stable carbetocin composition having a specific concentration and pH range as recited in the claims.

Further, the Controller stated that the specification of the Application provides sufficient experimental data to demonstrate that the composition comprising carbetocin within the specific pH range has improved stability as compared to very similar compositions but outside the recited pH range. Therefore, the Controller held that the composition recited in the claims of the Application was inventive over the cited prior art documents.

Non-patentability of invention

The Controller referred to the erstwhile IPAB order in *Ajantha Pharma Limited v. Allergan*, wherein it was held that the *'combination mentioned in the Explanation of the Section 3(d) of the Patents Act can only mean a combination of two or more of the derivatives mentioned in the Explanation or a combination of one or more of the derivatives with the known substance which may result in a significant difference with regard to the efficacy. A combination of two active drugs like Brimonidine and Timolol cannot be considered derivatives of each other.'* The Controller noted that the claimed composition of the Application comprises different substances like methionine and EDTA apart from carbetocin. The methionine and/or EDTA cannot be

considered as a form of carbetocin, and thus, the Controller held that Section 3(d) of the Patents Act did not apply to the claims of the instant application.

Further, the Controller opined that the exemplification provided in the specification of the Application demonstrates that the claimed composition has significantly improved stability. The Controller held that by virtue of the technical effect, the composition of the Application does not fall under the ambit of Section 3(e) of the Patents Act.

Sufficiency of disclosure

The Controller noted that the effect of the composition comprising methionine alone, EDTA alone, and a combination of methionine and EDTA have been demonstrated and well exemplified in the specification of the Application. Thus, it is sufficient to enable a person skilled in the art to work the invention and the said ground of the pre-grant opposition was rejected.

Consequently, considering the facts and circumstances of the case, statements, evidence, and arguments of both the parties, the pre-grant opposition against the Application was dismissed, and IN 387567 patent was held to be maintained.

Conclusion

This decision highlights the need for quasi-judicial authorities to issue reasoned orders. This will obviate the need for protracted proceedings involving multiple judicial forums and ensure that precious judicial time is not spent on mere procedural matters.

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Ratio decidendi

Copyright infringement is a cognizable and non-bailable offence

Allowing an appeal against the decision of the Delhi High Court, the Supreme Court has held that the offence of copyright infringement under Section 63 the Copyright Act, 1957 is a cognizable and non-bailable offence.

Taking note of Part II of the First Schedule to the Criminal Procedure Code, the Supreme Court observed that if the offence is punishable with imprisonment for three years and onwards till seven years, the offence is cognizable. The Apex Court observed that the maximum punishment which can be imposed under Section 63 was three years and thus, the Magistrate may sentence the accused for three years also. The Hon'ble Court also noted that only in a case where the offence is punishable by imprisonment for less than three years or with a fine only, the offence can be said to be non-cognizable. [*Knit Pro International v. State of NCT of Delhi* – Judgement dated 20 May 2022 in Criminal Appeal No. 807 of 2022, Supreme Court]

Re-advertisement not an option after trademark registered – High Court asks petitioner to use alternative statutory remedy of seeking cancellation of mark

The Delhi High Court has dismissed the writ petition filed for quashing the advertisement for registration of mark 'Laxman Rekha' and for further direction to the Registrar to re-advertise the application. The Petitioner had contended that the advertisement in the Trade Mark Journal was illegible, being totally black, and hence the purpose of advertising the application, which is to inform the world at large that an application has been filed seeking registration of a trademark, was not met.


The High Court observed that after publication of the advertisement in 2003, the concerned trademark was registered in 2005 and hence the proper course for the Petitioner would have been to seek cancellation of the registration and rectification of the mark under Section 57 of the Trademarks Act, 1999, which was an alternative statutory remedy available to the Petitioner. The Court was of the view that entertaining the writ petition would amount to rendering the statutory remedy redundant and otiose.

Two decisions of the Court, namely, *Ashoka Dresses v. Bonn'S Shirts and Ors.* [2000(20) PTC 161 (Del)] and *Virendra Sethi v. Kundan Das & Ors.* [2002 (25) PTC 50 (Del)], where the Court had directed for re-advertisement, were distinguished, observing that in both the cases the petition was filed before the marks were registered. [*Sudhir Bhatia Trading v. Central Government of India* – Judgement dated 19 May 2022 in W.P. (C)-IPD 37/2021, Delhi High Court]

Trademarks – Use of word 'PEBBLE' for dissimilar goods when amounts to infringement

Observing that, *prima facie*, water heaters and electric irons are dissimilar in their physical nature, their intended purpose and their method of use, the Delhi High Court has held that in absence of the condition of similarity of goods being satisfied, Plaintiff's claim of infringement under the provisions of Section 29(2) of the Trademarks Act, 1999 must fail. The Court in this regard also observed that the two products further fail the tests of being competing products, of being complementary to each other or of having a trade connection with each other. In a case involving use of the word 'PEBBLE', by the plaintiff in respect of water heaters and by the

defendant for electric irons, the Court also observed that Plaintiff was unable to establish that the trade channels of the two products were common. It also rejected the contention that the goods were similar since are meant for domestic use and convert electric energy into heat energy. According to the Court this was not an apt criteria.

However, in respect of infringement under Section 29(4) of the Trademarks Act, which does not envision the test of similarity of goods, the Court observed that word 'PEBBLE' in the Defendant's mark was phonetically, visually and structurally identical to the word 'PEBBLE', which was an essential and dominant part of the Plaintiff's registered mark/label  .

The High Court further observed that the Plaintiff was able to establish a *prima facie* case of existence of its reputation in India based on its sales figures, amounts expended on promotion, advertisement and publicity of the goods bearing the aforesaid mark, its continuous and extensive use, and number of outlets/dealers for sale of the products. It also observed that *prima facie*, the Defendant used the impugned mark 'PEBBLE' without 'due cause' and had no tenable explanation for using the word *albeit* with a prefix CROMPTON. Further, observing that the word PEBBLE was not descriptive of electric irons and was an arbitrary word used by the Plaintiff for water heaters, it was entitling it to a high degree of protection, the Court was of the view that *prima facie*, inference that can be drawn is that Defendant adopted its mark to gain unfair advantage of the reputation and goodwill of the Plaintiff, and hence there was *prima facie* case of infringement under Section 29(4).

In respect of passing off, the Court was of the view that use of the word PEBBLE would be sufficient to cause confusion resulting in the goods of the Defendant being passed off as that of the Plaintiff who was also the prior user.

[*V Guard Industries Ltd. v. Crompton Greaves Consumer Electricals Ltd.* – Judgement dated 12 May 2022 in CS(COMM) 92/2022, Delhi High Court]

Patents – Mere filing of revocation proceedings cannot be a 'credible challenge' to an old and successful patent

The Himachal Pradesh High Court has held that even though mere grant of patent does not mean that challenge cannot be laid to it as per the provisions of the Patents Act, yet, a challenge, which is yet to be proved, cannot be placed at a higher pedestal than the statutorily granted patent until and unless the challenging party can demonstrate (in terms of grounds of challenge) that the patent is vulnerable so as to refuse grant of interim relief.

The Court in this regard also observed that the factum of a patent being there in favour of the plaintiffs and the factum of no pre or post grant challenge to the same by anyone, including the defendant, except recently by way of a revocation petition filed in close proximity to the launch of the infringing product (by the defendant), does create a *prima facie* case and balance of convenience in favour of the plaintiffs. It also held that mere filing of revocation proceedings cannot be treated to be a 'credible challenge' to the old and successful patent of the plaintiffs.

Defendant's contention of public interest was also rejected by the Court observing non-invocation of provisions of Section 66 of the Patents Act, 1970 by the Central Government and non-invocation of Section 84 by the defendant.

Rejecting the defendant's plea of evergreening and hence the vulnerability of the plaintiff's patent, the Court noted that the compound Linagliptin was 'claimed and encompassed' in the earlier patent while it was 'claimed and covered' in the later suit patent. The Defendant had

submitted that they were not infringing the suit patent as the product of the defendants was based on the teaching of the earlier patent after the expiry of the term of said patent.

Allowing interim relief to the plaintiff, the Court also observed that it cannot decide on inventive step just by comparing the tablet of the plaintiffs with the tablet of the defendants, with a naked eye. It also noted that by referring to the applications and documents submitted by the plaintiffs for grant of earlier patent and the suit patent, it cannot be concluded even *prima facie* that the suit patent was evergreening of earlier patent. [*Boehringer Ingelheim Pharma GMBH & Co. v. MSN Laboratories Private Limited – Order dated 2 June 2022 in COMS Nos. 7 to 10 of 2022, Himachal Pradesh High Court*]

Invisible use of trademarks as adwords or meta tags on application stores amounts to trademark infringement

The Delhi High Court has held that there is no difference in the use of trade marks as a keyword on search engines as opposed to use as a keyword on App store searches. The Court was of the view that so long as the key words are being used for promoting a business, using a competitor's trade mark, the same would be violative of the rights of the trademark owner. The

High Court in this regard relied on the case of *MakeMyTrip India Private Limited v. Booking.com B.V.*, where it was held that use of trademarks as keywords and metatags would amount to infringing use under the Trade Marks Act, 1999, even though such use is often invisible to the consumer, as it diverts the consumers away from the proprietors' websites.

The Court categorically directed the Defendant to not use the Plaintiff's trademarks or any variants thereof as adwords, keywords, or metatags, as the same would amount to infringing use. It however listed the matter before the Delhi High Court Mediation and Conciliation Centre, in view of the parties mutual agreement to amicably resolve the dispute.

The Plaintiff had registered trademarks 'A23', and 'Ace2three', and was using the said marks with reference to online gaming platforms and mobile applications. It later became aware of the Defendant's use of the trademarks as keywords on Apple Appstore, thereby leading to the Defendant's application 'WinZO Games' showing as the first result when any user searched for 'A23' or 'Ace2three'. [*Head Digital Works Private Limited v. Tictok Skill Games Pvt. Ltd. – Order dated 10 May 2022 in CS(COMM) 301/2022, Delhi High Court*]



News Nuggets

IPR suits, even those valued below INR 0.3 million, to be instituted before District Judge (Commercial)

The Delhi High Court has directed that all IPR suits are to be instituted before the District Judge (Commercial) and if IPR suit is valued

below INR 3 lakh (INR 0.3 million), the Commercial Court shall examine the specified value and suit valuation to ensure it is not arbitrary or unreasonable and the suit is not undervalued. The Court has further directed that upon such examination, the concerned

Commercial Court would pass appropriate orders in accordance with law either directing the plaintiff to amend the plaint and pay the requisite Court fee or to proceed with the suit as a non-commercial suit.

It may be noted that as per Court's decision dated 3 June 2022, even such suits which may be valued below INR 3 lakh and continue as non-commercial suits, shall also continue to be listed before the District Judge (Commercial), but may not be subjected to the provisions of the Commercial Courts Act, 2015. According to the High Court, this will maintain consistency and clarity in adjudication.

All pending IPR suits before the different District Judges (non-Commercial) in Delhi are now to be placed before the concerned District Judges (Commercial) for following the new procedure. The Judgement in also clarifies that plaintiffs who wish to amend the Plaint would be permitted to do so in accordance with law.

Trademarks – Territorial jurisdiction of Court – Effect of quantum of seizure/operation

The Delhi High Court has dismissed the review petition against the order of the Commercial Court dismissing the application for rejection of plaint on ground of territorial jurisdiction. Considering the huge quantum of goods that were seized, the Court was of the view that it could not be held that the defendants did not intend to sell or offer its products in Delhi. The High Court in this regard also noted that as per the seizure memo, 'BURBERRY' labels, marks, tags and products were available with the Defendant in the tune of thousands. The Court noted that the defendant had a three-story building wherein there are 22 tailoring machines on the first floor, 40 tailoring machines on the second

floor and duplicate shirts were also found. It also observed that numerous piles of clothes bearing the 'BURBERRY' mark showed that a large operation was being conducted by the Defendants. The Court hence opined that the possibility of the Defendants clandestinely selling the products in Delhi, cannot be ruled out at this stage. It may be noted that the High Court in *Shakthi Fashion v. Burberry Limited* [Decision dated 24 May 2022] however was of the view that IndiaMart listing and the advertising of the products and business of the Defendants in Delhi would require evidence.

Copyright in music played in marriage functions – Delhi High Court appoints expert to assist court

Considering that the issue regarding copyrights in the music being played in marriage functions, would have large scale implications for artists such as lyricists, music composers, singers, sound recording producers and owners on the one hand as also, for entities involved in the organisation and management of weddings and other social events, the Delhi High Court has appointed an expert to assist the Court. In a dispute involving interpretation of Section 52(1)(za) of the Copyright Act, 1957, the Plaintiff, engaged in the business of issuance of licenses for public performance/communication of sound recordings, had pleaded that that the Defendant was using sound recordings in respect of which the Plaintiff had rights, at various social events, without obtaining licence. Relying upon the Explanation to Section 52(1)(za), the Defendant in *Phonographic Performance Limited v. Lookpart Exhibitions and Events Private Limited* [Decision dated 11 May 2022] had contended that when music is played for the purposes of marriage ceremonies or other social events connected with marriages, including

a marriage procession, the use of music is deemed to be fair use, and hence, no licence would be required.

‘Use’ of trademark by an online intermediary

The Advocate General of the Court of Justice of the European Union has opined that the operator of an online platform such as Amazon does not ‘use’ a sign when Amazon’s advertisements and those from third-party sellers appear next to each other. According to the Advocate General [C-148/21 and C-184/21], it does not entail that a reasonably well-informed and reasonably observant internet user might perceive the signs displayed on the advertisements of third-party sellers as an integral part of Amazon’s commercial communication. He was also of the view that the same applies to the additional services of assistance, stocking and shipping of goods bearing a sign identical to a trade mark, in respect of which Amazon has also actively contributed to the preparation and publication of the offers for sale.

Trademarks – ‘Acquiescence’ clarified by the Court of Justice of the European Union

The Court of Justice of the European Union has held that a warning letter by which the proprietor of the earlier mark/right opposes the use of a later mark without taking the necessary steps to obtain a legally binding solution, does not stop acquiescence and consequently does not interrupt the period of limitation. According to the provisions of the EU law, the proprietor of the earlier mark is time barred from seeking a declaration of invalidity or opposing the use in good faith, if he fails to clearly express his wish to oppose that use for a period of five consecutive years. According to the Court, sending a warning letter would not be sufficient in itself as it would allow the proprietor of the earlier mark to circumvent the limitation regime by repeatedly sending a warning letter every five years. The CJEU delivered this decision on 19 May 2022 in the case of *Heitec AG v. Heitech Promotion GmbH*.

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