

(2020) 02 DEL CK 0333

In the Delhi High Court

Case No : Civil Writ Petition No. 5755 Of 2019, 1964 Of 2020

Merck Sharp And Dohme Corp.

APPELLANT

Vs

Union Of India And Ors

RESPONDENT

Date of Decision : 27-02-2020

Acts Referred:

Patents Act, 1970 — Section 3(d), 3(e), 117A

Citation : (2020) 269 DLT 101

Hon'ble Judges : Prathiba M. Singh, J

Bench : Single Bench

Advocate : Anil Dutt, Aditya Kaushik, Sutapa Jana, Maninder Acharya, Harish V. Shankar, Krishnesh Bapat, Shikhar Kishore, Viplav Acharya, Shefali Jaiswal, Gulabsa

Judgement

Prathiba M. Singh, J

CM APPL. 6870/2020 (exemption) in W.P.(C) 1964/2020 CM APPL. 25087/2019 (exemption) in W.P.(C) 5755/2019

1. Allowed, subject to all just exceptions. Applications are disposed of.

W.P.(C) 1964/2020

W.P.(C) 5755/2019

2. The present two petitions have been filed by two patent applicants. In W.P. (C) 1964/2020, the patent application filed by the Petitioner for a

pharmaceutical preparation has been rejected on the ground of lack of inventive step under Section 3(d) & 3(e) of The Patents Act, 1970. This order

passed by the Assistant Controller of Patents is an appealable order before the IPAB under Section 117A of The Patents Act. However, the appeal

cannot be filed in view of the fact that IPAB is not sitting. On a query as to why the IPAB is currently not functioning, Id. ASG submits that the

approval for the extension of the term of the Chairperson is pending before the Appointments Committee of Cabinet (â??ACCâ??).

3. In W.P.(C) 5755/2019 the Petitioner is aggrieved by the order by which the post-grant opposition was allowed and the patent was rejected by the

Controller of Patents. The said order would also be appealable before the IPAB. Even the said matter cannot be taken up by IPAB due to the IPAB

bench not being available.

4. The tenure of the Chairperson of the IPAB was extended by the Supreme Court vide order dated 18th December, 2019, which reads:

â??Having heard Mr. Arvind P. Datar, learned Senior Counsel appearing for the petitioner and Mr. K.K. Venugopal, learned Attorney

General appearing for the respondent â?" Union of India and upon perusal of the record, we are of the considered view that the post of

Chairman of Intellectual Property Appellate Board (IPAB) cannot be allowed to be vacant.

The appointments process of the new Chairman of the said Board according to law is likely to be complete soon. In the meantime, however,

we consider it appropriate to direct that the last incumbent viz. Mr. Justice (Retd.) Manmohan Singh, be allowed to continue as Chairman of

IPAB for a period of one year after he attains the age of superannuation as there is no break in service.

Mr. Venugopal, learned Attorney General, seeks time to instructions from the concerned Department of the Government of India about

relocation of the Principal Bench of Madras or location of a new Bench to a central place in the country such as Nagpur, Jabalpur,

Bhopal, etc.

Order accordingly. List the matter on 05.02.2020.â??

5. On 26th February, 2020 when W.P.(C) 1964/2020 was listed before this Court, Id. ASG had submitted a status report on the appointments in the

IPAB. The said status report reads as under:

â??STATUS REPORT OF APPOINTMENT IN INTELLECTUAL PROPERTY APPELLATE BOARD

1. Continuation of Mr. Justice (Retd.) Manmohan Singh as the Chairman in IPAB-A in-principle decision has been taken to extent the tenure

of Justice (Retd.) Manmohan Singh as Chairman of IPAB and the

approval of Hon'ble Minister for Commerce & Industry

has been obtained. The proposal dated 29.01.2020 has been submitted to the Department of Personal & Training for seeking approval of

the Appointment Committee of Cabinet (ACC) for continuation of Hon'ble Shri Justice (Retd.) Manmohan Singh as Chairman IPAB up to

21.09.2020 in compliance of the direction of the Hon'ble Court in its order dated 18.12.2019. The approval of the Appointment

Committee of Cabinet is still awaited. Upon receipt of approval of ACC, an Appointment order shall be issued which shall continue to

operate upto 21.09.2020. A fresh Search Cum Selection Committee shall be constituted as per the Tribunal, Appellate Tribunal and other

Authorities Rules (Qualifications, Experience and other Conditions of Service of Members), 2020 notified on 12.02.2020 by the Ministry of

Finance for the selectin of Chairman IPAB from 21.09.2020 onwards.

2. Status of Appointment of Vice Chairman (IPAB)-The post of Vice Chairman, IPAB been advertised in 19-25 October, 2019 edition of

Employment News as per the directions of the Hon'ble Supreme Court of India in Writ Petition No.279 of 20147 (Kudrat Sandhu V

Union of India). In response of the above advertisement this Department has received 13 applications for the said post of Vice-Chairman,

IPAB. The Constitution of a Search-Cum-Selection Committee for the appointment of Vice Chairman is under process as per the Tribunal,

Appellate Tribunal and Other Authorities Rules (Qualifications, Experience and other Conditions of Service of Members), 2020 notified on

12.02.2020 by Ministry of Finance.

3. Status of Appointment of Technical Members (Trademark/Copyright/Patent)-The vacancies were advertised on 28th July 2018 to 3rd

August 2018 edition of the Employment News as per the old Rules in compliance of direction of Hon'ble Supreme Court of India in W.P.

No.279 of 2017. The Department has, in response to the said advertisement, received applications to the vacant posts. The Search-cum-

Selection Committee was constituted on 05-10-2018 with the approval of ACC. The CJI nominated Hon'ble Mr. Justice Sharad Arvind

Bobde, sitting judge of the Supreme Court, to chair the SCSCCommittee. The SCSCCommittee submitted its recommendations which have

already been sent to ACC in September 2019 for approval for 5 posts of Technical Members (2 Copyrights, 2 Trademarks and 1 Patent).

The Approval of ACC on the abovementioned names is still awaited by this Department.â??

From the above, it is clear that insofar the Chairperson is concerned, despite emergent measures having been taken by the Supreme Court to ensure that the post of the chairperson of the IPAB is not allowed to be vacant, the IPAB has not starting functioning, as it is the Governmentâ??s stand that approval by the ACC is required.

6. Insofar as the post of Vice-Chairman is concerned, 13 applications are stated to have been received and the committee for selection has been notified only on 12th February, 2020.

7. Insofar as the posts of technical members are concerned, the Search and Selection committee, had sent recommendations for filling up of 5 posts of technical members in September, 2019 and despite 5 months having elapsed, the appointments of the said members have also not been made.

8. After perusing the status report filed by the Ld. ASG, the following order was passed by this Court:

â??2. Ld. ASG submits that the IPAB is currently not functioning as the extension of Justice Manmohan Singh as the Chairperson of the

IPAB which has been ordered by the Honâ??ble Supreme Court on 18th December, 2019 is now pending approval before the Appointment

Committee of the Cabinet (ACC).

3. Prime facie it is clear that after the order of the Supreme Court dated 18th December, 2019 no further approvals would be required for

the IPAB to assemble and hold hearings. There is an urgent need for the IPAB to hear and adjudicate matters, as there are more than 4,000

cases pending in the IPAB and currently IPAB hearings have come to a complete halt.

4. When queried as to the status of the appointment of the other members of IPAB, it is submitted that the appointment of the two technical

members has been approved by the Selection Committee in September 2019 and the same are pending approval.

5. The non-functioning of the IPAB is a serious cause for concern inasmuch as cases like the present which involve patent rights which have

a fix term are being unduly delayed due to non-constitution of the Tribunal itself. This position has continued for the last several years and

has repeatedly been the subject matter of various writ petitions filed before this Court.

6. At the request of Id. ASG list on 27th February, 2020 in order to enable her to obtain instructions in this regard.

7. List for further hearing on 27th February, 2020.â??

9. The IPAB is a specialized forum which was constituted under the Trade Marks Act 1999 and the Patents Act, 1970 (as amended in 2003) in order

to ensure expeditious disposals of Intellectual Property matters. The manner in which the IPAB has been functioning during the last over 15 years

shows that at every stage, there has been delay in the appointments being made to the IPAB, both of judicial members and technical members.

Further, adequate infrastructure and autonomy is also not granted to the IPAB in order to make its functioning efficient and smooth. The Statement of

Objects and Reasons when the Trade Marks Act was amended in 1999, clearly records that the purpose of the IPAB is for speedy disposal of

appeals and rectification applications, which at that time was jurisdiction which was vested in the High Courts. However, this purpose has been

completely set at naught owing to the manner in which the IPAB has been functioning since the time it has been constituted.

10. The Trade Marks Act was notified on 15thth September, 2003. The provisions relating to the Appellate Board were also notified with effect from

the said date. Thus, more than 16 years have passed since the IPAB has been constituted. However, the process of functioning of the IPAB has not

been streamlined. Under these circumstances, some emergent steps needed to be taken by the Government to ensure that the IPAB functions in an

efficient and smooth manner for the purpose for which it has been constituted. However, there appears to be clearly no progress to strengthen the

IPAB or expedite the appointments process. The IPAB is completely under-staffed and lacks even basic infrastructure.

11. It is matter of record with that there are more than 4000 cases including 1600 patent cases, which are pending before the IPAB and hence non-

assembling and non-availability of infrastructure to the IPAB has severely dented the disposals before the IPAB, and the delays have affected

substantive rights of IP owners.

12. The position as on date, therefore, is that despite the order of the Supreme Court on 18th December, 2019, which was passed to deal with an extraordinary situation, the Tribunal is non-functional.

13. Today, Id. ASG submits that a decision in respect of the extension of the term of the Chairperson of the IPAB is likely to be taken as early as by next week by the ACC. Prima facie this Court is of the opinion that once the order of the Supreme Court was passed on 18th December, 2019, no further approval was required. In any event, there could not have been any delay in approval being obtained in order for the Chairperson to continue discharging his functions as the Chairperson of the IPAB. Even insofar as the appointment of the members is concerned, there has been substantial delay.

14. Id. ASG has submitted that since the Chairperson's tenure had come to an end, the matter was placed before the ACC. This Court does not agree with this submission, inasmuch as the order of the Hon'ble Supreme Court is quite clear that the Chairperson's tenure has been extended by the said order and it has been observed that there would be no break in the service of the Chairperson of the IPAB. Since there is no break in service, prima facie no fresh approval of the ACC was required.

15. However, in view of the request made by the Id. ASG, the matter is being adjourned for orders to be passed on the next date. The order of the Hon'ble Supreme Court dated 18th December, 2019 and today's orders shall be placed before the appropriate authorities concerned.

16. List on 5th March, 2020. Copy of the order be given dasti under signature of the Court Master.