
(2021) 02 IPAB CK 0002

In the Intellectual Property Appellate Board

Case No : Original Application No. 1 Of 2021/PT/DEL

Novartis Ag,

APPELLANT

Vs

Controller General Of Patents

RESPONDENT

Date of Decision : 03-02-2021

Acts Referred:

Indian Patents Act, 1970 — Section 11A, 15, 25(1), 117A
Information Technology Act, 2000 — Section 2(1)

Citation : (2021) 02 IPAB CK 0002

Hon'ble Judges : Dr. B.P. Singh, Technical Member; Manmohan Singh, J

Bench : Division Bench

Advocate : Hemant Singh

Final Decision : Dispose Of

Judgement

Indian Patent Application No., 4412/DELNP/2007

PCT Application No., PCT/US2006/043710

Priority Date, 09/11/2005

International Filing date, 8/11/2006

WIPO publication No. & publication date, "WO/2007/056546
18/05/2007

Filing date of National phase Application, 08/06/2007

Date of publication u/s 11A, 24/08/2007

Request for Examination Date, 06/11/2009

First Examination Report Date, 30/01/2015

Response to FER filed on, 27/11/2015

First Opposition filed by Indian Pharmaceutical

Alliance",25/05/2016

Second Opposition filed by NatcoPharma Ltd.,06/09/2016

Third Opposition filed by Kumar Sushobhan,23/08/2017

Fourth Opposition filed by

Dr. Reddy's

Laboratories",13/06/2019

First hearing notice,06/12/2019

Second hearing notice,14/02/2020

Fifth Opposition filed by HirenDarji,06/03/2020

Third hearing notice,17/09/2020

Sixth Opposition filed by G. SrinivasaRao,18/09/2020

Further, the first pre-grant opposition was filed against the application in the year 2016 and thereafter at least one pre-grant opposition has been filed",

almost every year.,

It is submitted that in the present case, several of the Opponents are Benami and front men put up by competitors of the Appellant to",

delay and deny grant of patent for the invented compound claimed by the Appellant in the pending application No. 4412/DELNP/2007. This is evident,

from perusal of the following facts:,

Opposition No. 1 filed on 25.05.2016: by Indian Pharmaceutical Alliance (IPA) of which both Opponent No. 2, namely NatcoPharma Ltd. and",

Opponent No. 4 namely Dr. Reddy's Laboratories are members;,

Opposition No. 3 filed on 23.08.2017: by Kumar Sushobhan who has not disclosed either his qualification or area of business or profession,

or occupation;,

Opposition No. 5 filed on 06.03.2020: by HirenDarji who has not disclosed either his qualification or area of business or profession or occupation;,

Opposition No. 6 filed on 18.09.2020: by G. S. Rao who has not disclosed either his qualification or area of business or profession or occupation.,

Notwithstanding and without prejudice to Applicant's rights, the reply to 6th pre-grant opposition has been filed;",

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It is thus evident that all the oppositions have been filed by the Opponents in collaboration with each other to delay the grant of patent in respect of, pending application No. 4412/DELNP/2007.,

It is pertinent to note that the first opposition was filed on 25.05.2016 after the Appellant had submitted its response dated 27.11.2015 to the office, objection dated 30.01.2015. Thereafter a series of oppositions have been filed w.e.f. 25.05.2016, notwithstanding the fact that the patent application, was published inviting oppositions as of 24.08.2007. The sequence of events and the facts conclusively establish that a calculated, deliberate and, malafide attempt has been made by the Opponents collectively to indefinitely delay the disposal of the pending patent application to the Appellant.,

The Appellant has already suffered significantly on account of lapse of fourteen years from the total 20 years term. Unless the pending pre-, grant oppositions are heard and disposed of expeditiously, the Appellant will suffer irreparable injury and the exercise of filing patent application to, protect the invention disclosed in good faith would become redundant and meaningless. The Appellant is therefore constrained to seek urgent, intervention and redressal of its grievance from this Hon'ble Board so that the pending patent application could be heard and disposed of, expeditiously.,

The Appellant is constrained to file the present appeal to seek appropriate directions from this Hon'ble Board and seek redressal of its, grievance arising from denial of hearing and disposal of pre-grant oppositions that have been filed against the subject application 4412/DELNP/2007. It, is respectfully submitted that the process of filing of pre-grant opposition provided under Section 25(1) is being grossly abused and misused by persons, like opponents in the present case, causing irreparable injury to the Appellant which needs to be, prevented and appropriate directions needs to be issued to the, Appellant,

Respondent No. 2 for urgent hearing and disposal of all the pre-grant oppositions which are already pending.,

It is submitted that the Respondent Nos. 3 to 7 ought to have availed the opportunity granted to advance their submissions on the dates already fixed, through virtual hearing which has become the norm in all tribunals, courts and

administrative bodies all over India in view of the continuing pandemic.",
Even the offices of the Respondent Nos. 1 & 2 are passing orders and disposing of oppositions through virtual hearings and there is no reason why an,
exception has been made in the present case in favour of Respondent Nos. 3 to 7, by deferring further hearings till the physical hearings are possible.",
Due to the uncertainty regarding the pandemic, and time by when physical hearings may be resumed, the deferment amounts to indefinitely postponing",
hearing and disposal of the pending pre-grant oppositions. Considering that such deferment does not amount to extension of the term of the patent,
which is diminishing with each month, the injury to the Appellant is imminent and enormous.",

It is further submitted that Respondent Nos. 3 to 7 are,
represented through practicing IP counsel who are well-versed with attending online hearings and have been doing so before this Hon'ble Board,
as well as before Courts. It is thus evident that the Respondent Nos. 3 to 7 have used the virtual hearing scheduled by Respondent No. 2 vide,
notice of hearing dated 17.09.2020, as an excuse to deflect and defer the scheduled hearings so as to delay the grant of the patent to the",
Appellant. The requests made by Respondents are malafide and ought to have been rejected by the Respondent No. 2.,

Further, the Respondent No. 8, has filed a pre-grant opposition on 18.09.2020, immediately one day after the issuance of notice of hearing dated",
17.09.2020 vide which virtual hearings were scheduled in respect of the pre-grant oppositions filed by Respondent Nos. 3 to,
7. The said pre-grant opposition filed by Respondent No. 8 does not,
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raise any new ground except citing one additional prior art which is hardly of any significance. Under Rule 55 (3), the Legislature has mandated that",
the Controller must exercise his discretion before issuing any notice on pre-grant oppositions filed. This is meant to eliminate frivolous and,
misconceived pre-grant oppositions that could be filed to abuse the process by mischievous parties wanting to delay disposal of patent applications.,

Considering the fact that the subject patent application was published under Section 11A inviting pre-grant opposition w. e. f. 24.08.2007, the",
Controller ought to have exercised his discretion in respect of an opposition

being filed 13 years after the date of publication and immediately, one day after the date of issuance of notice of hearing. However, the Controller has exercised no discretion and issued notice in respect of such pre-grant opposition dated 18.09.2020 in breach of his duty cast vide Rule 55(3) which amounts to abdication of such duty and arbitrary exercise of discretion. Both are sufficient grounds for quashing and setting aside of the order of issuance of notice dated 23.10.2020 and it is prayed accordingly.,

It is respectfully submitted that strict guidelines need to be laid down by this Honorable Board for the Respondent Nos. 1 and 2 to follow in dealing with pre-grant oppositions so that the privilege granted vide, Section 25(1) of the Act to members of the public to oppose the grant of patent, is not abused and the statutory duty and obligation that has been cast, by the Legislature on Respondent Nos. 1 and 2 to expeditiously grant the patent is complied with and followed in letter and spirit.,

It is further essential that mala fide adjournments should not be permitted and hearings of long pending patent applications should not be, allowed to be deferred on the ground of lack of physical hearings.,

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5. At the outset the learned counsel of the appellant mentioned that he has served notice to each and every respondent. However, only Respondent",

no. 4, 6 and 8 are being represented by their respective counsels, as shown above.",

6. Apart from the issue of serial pre-grant opposition, it is the case of the appellant that respondent no. 2 should be directed to dispose of the",

matter at the earliest, conducting online hearings and should be refrained from adjourning the hearings of pre-grant opposition indefinitely, on",

behest of some of the respondents who prefer physical hearings.,

7. We have received a representation from the learned Counsel of Respondent no. 4, Sh S. Majumdar, who raised the issue of maintainability of",

this appeal under section 117A of the Patents Act, 1970. He contends that the email issued by the Controller communicating his decision",

to defer the hearing till physical hearing will start is not an order under section 15 and hence no appeal will lie.,

8. However, Later during the hearing in front of this Board, the learned counsel of the Respondent no. 4 and other counsels present, agreed",

not to oppose this appeal on the grounds of maintainability. But informed about certain limitations in hearings through video conferencing at IPO, such as restriction of participation of only 4 persons other than Controller and the non availability of document sharing facilities which, compelled them to opt for physical hearings. ShMajumdar, however, informed that there has been incidence where nearly 12-13 persons are permitted, at IPO video conferencing hearing. He also suggested that even in case of virtual hearings the Controller may be assisted by one of the, representatives in case so needed.,

9. The pre-grant oppositions are held by the Honorable High Court of Delhi as aid in examination M/S UCB Farchim Sa vs M/S Cipla Ltd. &Ors,

Available at <https://indiankanoon.org/doc/187976027/>. Hence, the pre-grant opposition is looked at furthering the cause of patent examination which",

helps the Controller to discover certain evidences otherwise missed by the examiner. Further, section 117A of the Patents Act, 1970 mandates",

appeals to this Board from any decision, order or direction of the Controller under specified sections of the Act as mentioned therein sub-section",

(2) thereof. Therefore, the decision of the Controller to defer the hearing till physical hearing resumes, as per the willingness of only the opponents",

and without consent of the rival party is against the tenet of natural justice.,

10. Therefore, basically there are two issues which require our attention:",

(a) Addressing speedy disposal of pre-grant oppositions by allowing for video conferencing hearings",

(b) Devising procedures for regulating the serial filing of pre-grant oppositions and thereby strengthen the faith of stakeholders in the system.,

11. With the cooperation of all the parties, agreeing to participate in video conferencing hearing at IPO, the first issue has become easier except",

some limitations at IPO for such hearings.,

12. On the Second issue, this Board laid down certain guidelines to ensure transparent processing of pre-grant oppositions in a very recent order in",

ANAGHAYA MILLION PHARMA LLP in MP.NO.12/2020 & 46- 47/2020 IN ORA/2/2020/PT/CHN issued on 29/12/2020.,

13. For sake of clarifying the issue further, we would like to emphasize the issue one again as the practice of filing serial pre-grant oppositions with",

sole motive to drag the case indefinitely and delay the final outcome in a patent

application, is not only affect the right of the applicant adversely but",
does not reflect a sound and healthy IPR Regime in the Country as well. While IP Legislation in general and patents in particular are very well,
balanced legislations, which take care of rights of users as well as producers equally, the deliberate attempt to drag the litigation in definitely, is not a",
fair practice. While the law is intact to protect everyone's right equally; efforts should be made to use the system not abuse it.,

14. After hearing, parties present have given their consent to pass the directions by which the system of disposal of pre-grant opposition gets",
streamlined. It is also noted that despite of advance service by the counsel for appellate through electronic means, the other respondents",
did not represent. Hence we proceed with the matter accordingly. The Guidelines are drawn as consented by all the parties present during the,
hearing.,

15. Under this background, Let's discuss the first issue:",
The hearings through video conferencing were started at IPO by the Patent (Amendment) Rules, 2016.",

(6) The hearing may also be held through video-conferencing or audio-visual communication devices: Provided that such hearing shall be deemed to,
have taken place at the appropriate office.,

Explanation." For the purposes of this rule, the expression "communication device" shall have the same meaning as assigned to it in clause",

(ha) of sub-section (1) of section 2 of the Information Technology Act, 2000 (21 of 2000).",

Since then, hundreds of hearings must have taken place through Video conferencing at IPO. The well versed system at IPO could see that during the",
challenging time of the present pandemic also the functioning of IPO was not adversely affected; thanks to online working module and allowance of,

hearings through Video conferencing. Therefore, not allowing this particular case to be heard through VC is somewhat not appealing. There",

may be certain limitations but given the sound IT System at IPO, we are convinced that those issues will be sorted out effectively.",

It has been confirmed that Video conferencing hearings are held at IPO through licensed connections provided by some third party. As per the,

availability of such licensed connections, they allow 5 persons (1 Controller + 4

others) during any single hearing. However, they have at least one",

connection, where minimum 10 persons can participate in a hearing. Therefore,Â if that connectionÂ is exclusively utilized for pre-grant opposition",

hearings, the limitations on number of persons can be overcome. One Controller, one examiner and 4 people each from patentee and opponent side",

can well be accommodated for such hearings, through VC.",

Â The documents from either side are deposited at IPO in electronic form which is available in electronic working module of IPO and the Controller,

can always refer the same during the hearing. Further, the document sharing facility is also available at IPO which the parties can use during the",

hearing. In addition, if so desired by the Controller, the arrangement as suggested by the learned counsel of Respondent no.4, Sh S Majumdar to provide",

an assisting hand to Controller with full COVID-19 precautions, may also be explored.",

Â We therefore issue the following directions with the consentÂ of all the parties present during the hearings:,

Â The Controller can fix up the hearings in such a way that he hears at least one party in a single day through VC and try finishing all,

the pre-grant oppositions within a span ofÂ notÂ more than 15 days. Keeping in view the limitations in the working module, it is",

advisable that only 4 persons each from either parties should be connectedÂ togetherÂ withÂ Controller and examiner.,

Â In order to overcome the undue delay in disposals of pre-grant oppositions, resulting from serial filing of pre-grant oppositions, it is",

directed that, if the Controller has heard all the existing parties in accordance with the teachings of sub - rule 5 of rule 55 and has",

reserved the order, he shall go ahead with pronouncement of such order, even if some pre-grant opposition is filed between the date",

on which he has reserved the order and the date of pronouncement of the order.,

Â For the subsequent pre-grant opposition, the Controller shall make the opinion as to what substantial evidence, apart from those",

produced in the previous case is being produced which makes the second/ subsequent pre-grant opposition maintainable. The,

Controller shall consider that whether any new ground has been established or any new documents have been relied upon; and if he so,

satisfies he should make a reasoned order sheet to that effect and annotate as to whether the second/subsequent pre-grant opposition,

is maintainable or not, in the patent application file, even if maintained electronically. The e-module shall be suitably modified to that",

effect.,

Â The following additional points should also be adhered to streamline the system of disposal of pre-grant oppositions.,

Â There are incidences where the pre-grant oppositions are filed even when there is no,

application for patent is pending at IPO. In such a case we, recommend that the electronic filing module of the Patent Office",

for accepting pre-grant opposition to be carefully modified so that no such pre-grants are unduly accepted where the application for,

patent is not subsisting. It should need validation as to whether the patent application, against which this pre-grant is filed, is",

alive or not. Even if some person has filed a pre-grant opposition in a situation wherein no application for patent is pending, such",

opposition should be rejected forthwith.,

Further, noting the abuse of the system, Hon'ble High Court of Bombay in its recent order in Dhaval Diyoravs Union Of India And Ors",

Available at <https://indiankanoon.org/doc/41349461/> held:,

â??The Appellate Board noted that due to the delay in the proceedings number of appeals are being withdrawn either because the applicants have,

expired or the inventors have lost the interest. The Appellate Board referred to cases where after the expiry of 19 years and,

seven months, when four months were left for expiry of the patent, the Appellate Board had granted it. The Appellate Board has also",

noted cases where eighteen years have expired, and the patent is yet to be granted. The Appellate Board has cautioned against the rising tendency of",

filing of Benami oppositions to prevent the competitor from patenting its invention. Taking notes of these concerns, we are of the opinion, in view of",

the conduct of the Petitioner, that costs need to be imposed on the Petitioner to send a message that the valuable right given under section 25(1)",

of the Act must not be abused.â??,

To curb filing of pre-grant opposition by benami/fictitious applicants, â??any

personâ?? filing the pre- grant opposition must submit his valid Aadhar",
Card/Voterâ id Card/ Passpost/Driving Licence to authenticate his identity. E-
filing System at IPO should be suitably modified.,

â In case of all pending pre-grant oppositions, if the pre- grant opponent has not
filed proof for his identity,â heâ should be given one chance to",

submit the same withinâ 15 days from the date of suchâ communication,â
failingâ which the pre-grant opposition shall be rejected forthwith. The",

e- module of IPO shall be modified accordingly.,

The sub- Rule3 of Rule 55, therefore, requires that the Controller shall consider
the pre-grant representation in each and every case and if he opines",

that the patent application shall be refused or requires amendment, then before
giving notice to the applicant of patent, he should make such opinion",

annotated in the patent application file, even if such file is maintained
electronically. The e-module should be updated to that effect.",

16. Keeping in view the above mentioned directions, we, vacate the decision of
Respondent no. 2 to defer the pre-grant hearings till physical hearing",

starts. We direct the Respondent No. 2 to offer hearing through Video Conferencing
to all the parties in seriatim as clarified in earlier paragraphs, strictly",

following the directives noted above and decide the matter on merit, strictly
within 3 months from the issuance of this order.",

17. In view of above directions, the appeal is disposed off.",