
(2015) 07 MAD CK 0197
In the Madras High Court
Case No : Writ Petition No. 15736 of 2015

Novartis A.G.

APPELLANT

Vs

Union of India and Others

RESPONDENT

Date of Decision : 28-07-2015

Acts Referred:

Constitution of India, 1950 — Article 226, 227, 323-A, 323-B
Patents Act, 1970 — Section 117A, 117B, 117H, 64, 64(1)(a)
Trade Marks Act, 1999 — Section 92, 92(1), 92(2)(a), 93

Citation : (2015) 4 LW 613 : (2015) 6 MLJ 257

Hon'ble Judges : Sanjay Kishan Kaul, C.J;T.S. Sivagnanam, J

Bench : Division Bench

Advocate : Arvind P. Datar, Senior Counsel, Hemanth Singh and Mamta Jha for Sathish Parasaran, for the Appellant; T.V. Ramanujam, Senior Counsel for Arun C. Mohan and D. Ramesh Kumar, ACGSC, Advocates for the Respondent

Final Decision : Dismissed

Judgement

Sanjay Kishan Kaul, C.J. and T.S. Sivagnanam, J—The Petitioner M/s. Novartis AG a company, carrying on business of research, development, manufacturing and marketing of Pharmaceutical preparations, has approached this Court by way of this Writ Petition being aggrieved by an order dated 11.03.2015, passed by the Intellectual Property Appellate Board (hereinafter referred to as "IPAB") in M.P. No. 68 of 2014 and M.P. No. 50 of 2014, in ORA/21/2013/PT/CH.

2. The petitioner is the Patentee of the Indian Patent No. 212815 titled "N-Substituted 2-Cyanopyrrolidines" which pertains to the pharmaceutical product and New Chemical Entity (NCE), assigned International Non-Proprietary Name (INN) Vildagliptin. The petitioner is said to operate in India through its subsidiary which markets patented product Vildagliptin in India. The petitioner claims to have spent substantial financial resources on pharmaceutical research and development in order to invent new products. The petitioner filed the subject Patent Application on 04.06.2001, as National Phase Entry of Patent Cooperation

Treaty International Application, dated 09.12.1999 claiming priority from US Application dated 10.12.1998. The Patent Application was published in the official gazette on 09.03.2007 inviting pre-grant opposition and it appears that no opposition was filed within the prescribed period and the petitioner was granted the suit patent as Indian Patent No. 212815 as of 17.12.2007 and the same was published in the official gazette of Patent office as of 15.02.2008. The post grant opposition period expired on 15.02.2009 and it is stated that there was no opposition filed within the statutory period. Thus, the petitioner claims that they have a valid suit patent (hereinafter referred to as the subject patent).

3. The second respondent M/s. Wockhardt Limited applied for revocation of the subject patent granted to the petitioner by filing an application under Section 64 of the Patents Act before the IPAB on 30.04.2013 and notice of such application was received by the counsel for the petitioner on 08.01.2014. Thereafter, the petitioner filed a Suit before the High Court of Delhi in CS(OS) No. 646 of 2014 and an order of interim injunction was granted on 05.03.2014, restraining the second respondent from manufacturing, importing, selling, offering for sale the formulations or combinations containing Vildagliptin. The order of injunction is said to be in force till date. The petitioner was entitled to file their counter statement to the revocation application along with documents including evidences in the form of affidavit in support thereof within two months from the date of receipt of the notice from IPAB. Prior to the filing of the counter statement by the petitioner, the second respondent filed M.P. No. 50 of 2014, on 30.04.2014 in which the second respondent wanted to put in additional pleadings and additional documents and made a prayer before the IPAB to take on record the documents filed along with the petition. The petitioner filed M.P. No. 68 of 2014, questioning the maintainability of M.P. No. 50 of 2014, filed by the second respondent. Reply statements and rejoinder were filed and the IPAB by common order dated 11.03.2015, allowed the Miscellaneous Petition filed by the second respondent and dismissed the Miscellaneous Petition filed by the petitioner vide order dated 11.03.2014. This order passed by the IPAB is impugned in this Writ Petition.

4. The learned Senior counsel appearing for the petitioner submitted that there is no power vested with the IPAB to entertain a Miscellaneous Petition as filed by the second respondent for reception of additional documents and raising additional grounds and the impugned order is an arbitrary exercise of discretion by the IPAB. It is further submitted that the IPAB relied on Section 92(2) of the Trade Marks Act, 1995, and observed that it is vested with enormous and unambiguous power to deal with the Miscellaneous Petitions on the basis of principles of natural justice and powers conferred under Section 92(1)(2) & (3) of the Trade Marks Act, 1999 and this findings of the Tribunal is erroneous, since already the IPAB (Patent Procedure) Rules, 2010, have been framed under Section 92 of the Trade Marks Act and the said Rules do not permit additional grounds to be raised apart from the grounds initially raised in Form-1 of the Revocation Application and therefore, the reliance placed on Section 92 of the

Trade Marks Act is contrary to law. It is submitted that when the Rules mandate the manner in which an act has to be performed, it has to be performed in that manner alone and in no other manner. In support of such contention reliance was placed on the decision of the Hon"ble Supreme Court in the case of State of Uttar Pradesh Vs. Singhara Singh and Others, AIR 1964 SC 358 : (1964) 4 SCR 485 . It is further submitted that when the procedure mandates that a Revocation Application must be filed in a prescribed form, all the grounds for revocation can be raised only in such manner as prescribed. Further, the IPAB has not recorded any findings as to what is the exceptional circumstances in the present case to permit additional grounds or additional documents and it has been done in a routine manner. Further, it is submitted that additional documents could have been permitted only if due diligence is established for their non-production earlier and no case of due diligence was made out by the second respondent, since admittedly the additional documents were in the public domain and downloaded from the website of the Patent office. Therefore, the non-production of the same earlier, lacked due diligence and could not have been permitted by the IPAB contrary to the IPAB (Patent Procedure) Rules, 2011. Apart from the above, the learned counsel submitted that on the merits of the matter also, the petitioner has raised grounds in the affidavit filed in support of the Writ Petition to demonstrate that the plea raised by the second respondent, is not sustainable.

5. The learned Senior counsel appearing for the second respondent submitted that the IPAB is vested with enormous power under Section 92 of the Patents Act, which is applicable to Patents Act in respect of the powers of the IPAB in discharge of its functions under the Patents Act. Further, the IPAB is vested with powers to regulate its own procedure considering the principles of natural justice and in terms of Section 117H of the Patents Act, it confers power on the IPAB to make Rules consistent with the Act with regard to conduct and procedure in all proceedings under the Act. Further, it is submitted that Rule 2(1) of the IPAB (Patents Procedure) Rules, 2010, provides for filing Miscellaneous Petitions. Further, under Section 64 of the Act, the IPAB is vested with the powers to deal with the revocation of the patent and there is no limitation of powers to be exercised by the IPAB and there is no specific bar for entertaining a Miscellaneous Petition for raising additional grounds and producing additional documents. Further, it is submitted that the additional documents have been permitted to be filed subject to proof and relevancy and the same is in conformity with the orders passed by the Hon"ble Apex Court, upholding the powers of the Tribunal. Further, it is submitted that the second respondent has filed the petition to raise additional grounds and receive additional evidence at the earliest possible time immediately on coming to know of an application filed by the petitioner in the connected suit before the Delhi High Court. Further, the Miscellaneous Petitions filed by the second respondent, were filed prior to filing of the counter statement to the Revocation Application and it was well open to the petitioner to deal with all the points raised by the second respondent. Further, the IPAB has held that by allowing the Miscellaneous Petition, it would not

amount to amending the Revocation Application as the grounds sought to be additionally pleaded are within the purview and scope of the grounds raised in the Revocation Application and substantive right of a party cannot be taken away or curtailed by hyper technicalities.

6. Countering the submissions made by the learned counsel appearing for the petitioner with regard to the scope of IPAB (Patent Procedure) Rules, 2010, vis-à-vis reception of additional documents, it is submitted that the said Rule pertains to reception of additional documents in appeal and the same could be done with the leave of the IPAB, in cases where documents could not have been placed before the Registrar, whose orders are subject matter of challenge by way of appeal before the IPAB. It is submitted that the petition filed by the second respondent before the Tribunal is a Miscellaneous Petition as defined under Rule 2(1) of the Rules and it is not an application and a Miscellaneous Petition as defined under the Rule means a petition or request in writing made to the IPAB not being an application under Section 64 or under Section 71 or an appeal under Section 117A of the Act. Further, it is submitted that the order passed by the IPAB permitting additional documents to be taken on record subject to proof and relevancy causes no prejudice to the petitioner, more so when the second respondent in their Revocation Application in para 8.7, have raised grounds and the additional documents seek to substantiate the grounds already raised. On the above submissions, the learned counsel prayed for sustaining the order passed by the IPAB.

7. Heard the learned counsels appearing for the parties and perused the materials placed on record.

8. One of the grounds raised by the learned Senior counsel for the petitioner during the course of arguments though not specifically pleaded in the affidavit, is with regard to the scope and jurisdiction of this Court exercising powers under Article 226 of the Constitution of India, while examining the correctness of the decision of the IPAB. In the case of B. Mohamed Yousuff Vs. Prabha Singh Jaswant Singh, rep. by its Power of Attorney Mr. C. Raghu and Others, (2007) 4 LW 544 : (2008) 38 PTC 576 , one of the questions which arose for consideration is with regard to the nature of the remedy available to a person aggrieved by an order of the IPAB. It was pointed out that the IPAB is not a Tribunal constituted under Article 323-A or 323-B of the Constitution, but created by an Act of Parliament, namely the Trade Marks Act, 1999, conferring some of the powers exercised by the Registrar and the powers exercised by the High Court in its Original side. It was further pointed out that the constitution of the IPAB is virtually to exercise the jurisdiction vested in the High Court under the Old Act and the IPAB was to exercise original jurisdiction in respect of certain matters, such as rectification application and appellate jurisdiction in respect of orders of the Registrar. However, no appeal was provided against the order passed by the Tribunal under the new Act and Section 93 imposed a bar on the jurisdiction of Courts in relation to matters over which the Appellate Board was conferred with

jurisdiction. It was further pointed out that the bar under Section 93 of the Trade Marks Act, 1999, cannot exclude the jurisdiction of this Court under Article 226/227 of the Constitution and orders of the IPAB become subject to the jurisdiction of this Court. Therefore, it was held that a petition for issuance of a Writ of Certiorari or Mandamus would lie against an order of the Appellate Board and such Writ Petition could be heard only by a Division Bench of this Court, in view of the fact that what is vested with the IPAB is akin to the power vested upon a single Judge of the High Court under the provisions of the Old Act.

9. In *Smt. Ammini Karnan Vs. Intellectual Property Appellate Board, The Assistant Registrar of Trademarks, Chennai, M/s. Nirapara Roller Mills Private Limited and Union of India*, (2013) 2 LW 513 : (2013) 4 MLJ 227 : (2013) 55 PTC 362 , one of the question which fell for consideration was whether the High Court, while exercising its extraordinary jurisdiction under Article 226 of the Constitution, can go into the contentions raised by the parties, involving disputed questions of fact. In the said case, the correctness of a decision of the IPAB was challenged. The Division Bench after taking note of the decisions of the High Court in *M/s. Estralla Rubber Vs. Dass Estate (Pvt.) Ltd.*, (2001) 7 AD 690 : AIR 2001SC 3295 : (2001) 7 JT 657 : (2001) 6 SCALE 275 : (2001) 8 SCC 97 : (2001) AIRSCW 3544 : (2001) 7 Supreme 53 , *Mukesh Kumar Agrawal Vs. State of U.P. and Others*, (2009) 13 JT 643 : (2009) 13 SCC 693 : (2009) 11 SCR 854 , *National Thermal Power Corporation Ltd. Vs. Mahesh Dutta and Others*, (2009) 9 JT 537(1) : (2009) 9 SCALE 391 : (2009) 8 SCC 339 : (2009) 10 SCR 1084 : (2009) 8 UJ 3581 and *L. Chandra Kumar Vs. Union of India and others*, AIR 1997 SC 1125 : (1997) 83 CLT 815 : (1997) 92 ELT 318 : (1997) 228 ITR 725 : (1997) 3 JT 589 : (1997) 3 SCALE 40 : (1997) 3 SCC 261 : (1997) SCC(L&S) 577 : (1997) 2 SCR 1186 : (1997) 105 STC 618 : (1997) AIRSCW 1345 : (1997) 3 Supreme 147 , held that the Division Bench while examining the correctness of an order passed by the IPAB can certainly consider the findings on facts on analysing the evidence on record. Thus, the scope of jurisdiction of this Court under Article 226 of the Constitution while examining the correctness of the decision of the IPAB, is as pointed out by the Division Bench of this High Court referred supra.

10. The short issue which falls for consideration in this Writ Petition is as to whether the IPAB was justified in allowing the application filed by the second respondent for raising additional grounds and producing additional documents. Thus the issue to be decided is whether a Miscellaneous Petition for reception of additional documents and raising additional grounds was maintainable before the IPAB. Though in this Writ Petition the merits of the contentions raised by the parties with regard to revocation of patent granted in favour of the petitioner is not being adjudicated, yet for completion of facts a brief prelude is required.

11. The second respondent filed an application before the IPAB under Section 64 of the Patents Act for revocation of the Patent No. 212815 granted to the petitioner. The grounds for revocation as raised in the petition being under

Sections 64(1)(d), 64(1)(f), 64(1)(j), 64(1)(k) and 64(1)(m) of the Patents Act. It appears that the applications for revocation was filed before the IPAB during September 2013 and notice was received by the counsel for the petitioner with regard to the filing of such applications on 08.01.2014. The petitioner had two months time from the date of receipt of such notice to file their counter statement.

12. Before filing of the counter statement, the second respondent herein filed M.P. No. 50 of 2014, on 30.04.2014, stating that the main Revocation Petition is pending before the IPAB and subsequent to the filing of the main Revocation Petition, the petitioner herein filed an Infringement Suit against the second respondent before the Delhi High Court and on receiving the copy of the plaint, the second respondent came to know about the certain facts, which they were unaware at the time of filing the Revocation Petition and therefore, they wish to file Miscellaneous Petition and also rely upon certain additional documents, which are to be treated as part of the pleadings in the Miscellaneous Petition or in addition to and without prejudice to those which are pleaded as part of the Original Revocation Applications. The Miscellaneous Petition filed by the second respondent was numbered as M.P. No. 50 of 2014, in ORA/21/2013/PT/CH. The petitioner herein filed independent Miscellaneous Petition questioning the maintainability of M.P. No. 50 of 2014, filed by the second respondent and sought for its dismissal on the ground it is not maintainable. The grounds on which the petition was sought to be rejected on the ground of maintainability, where on the grounds raised by the learned Senior counsel appearing for the petitioner before this Court. The sum and substance being, such petition is not maintainable in the light of the Patent Procedure Rules 2010; there is no power for the Tribunal to entertain such a petition for raising additional grounds and marking additional documents, when the Rule requires the Revocation Petition to be filed in a statutory form.

13. The petitioner further contended that in the event the IPAB rejects M.P. No. 50 of 2014, filed by the second respondent, they need not deal with the additional grounds, however without prejudice to the grounds of maintainability, the petitioner reserved their right to file their detailed reply including contention in respect of Patents, Specifications and file wrappers, thereto if IPAB holds M.P. No. 50 of 2014, to be maintainable. The Miscellaneous Petition filed by the petitioner was taken on file as M.P. No. 68 of 2014. The second respondent filed their reply to the averments made in M.P. No. 68 of 2014, to which a rejoinder was filed by the petitioner. It is stated that a counter statement was also filed by the petitioner to the main revocation O.P.O.R.A. 21 of 2013.

14. The Tribunal upon consideration of contentions raised by both parties, allowed the application holding that substantive right of a party cannot be taken away or curtailed by the hyper technicalities, the documents sought to be produced are available in the public domain of the Patent office, but come to the notice of the second respondent only after perusing the plaint in the Suit filed

before the Delhi High Court by the petitioner and by taking the documents produced on records subject to proof and relevancy would not cause any prejudice to the petitioner and it is open to them to put forward their contentions relating to the compliance of Section 8(1) of the Patents Act, 1970.

15. The petitioner's endeavour is to convince this Court and to accept their proposition that there is no provision under the IPAB Patent Procedure Rules to file a Miscellaneous Petition. To drive home this point, the learned Senior counsel referred to Rules 3, 4, 5, 8, 9, 10, 11, 13, and 19, and contended that in all these Rules which are Rules of procedure, refer to only "appeal" or "application" and there is no power for the Tribunal to entertain a Miscellaneous Petition. It is further submitted that the power to receive additional documents is vested with the IPAB only while exercising appellate jurisdiction in terms of Rule 14 of the Patent Procedure Rules. It is further submitted that since the Procedure Rules have been laid down, the Tribunal is not justified in referring to the provisions of Civil Procedure Code to justify their action in accepting the additional documents.

16. On a careful and closure scrutiny of the Rule position, we are convinced that there is no merit in the submission on behalf of the petitioner. We would substantiate this conclusion as follows.

17. In exercise of powers conferred under Section 117H of the Patents Act, Intellectual Property Appellate Board (Patents Procedure) Rules, 2010, were framed. Rule 2(d) defines appeal; 2(f) defines application; Rule 2(1) defines Miscellaneous Petition to mean any petition or request in writing made to the Appellate Board not being an application under Section 64 or Section 71 or an appeal under Section 117A of the Patents Act. Thus a Miscellaneous Petition is not an "application" under Section 64 or Section 71 or an "appeal" under Section 117A of the Patents Act. Thus Rules having defined a Miscellaneous Petition which being in the nature of the request to be made in writing before the Tribunal, it cannot be stated that a Miscellaneous Petition is not maintainable before the Tribunal. Though Rules 3, 4, 8, 9, 10, 11, 13 & 19 refers to "appeals" or "applications" alone that by itself cannot be stated to be a bar for entertaining a Miscellaneous Petition nor to state that such Miscellaneous Petition is not maintainable before the IPAB. The Rules empower the IPAB to entertain a Miscellaneous Petition which is in the nature of a request mandated to be in writing. That apart Rule 14 can have no application to the case as projected by the petitioner, as it deals with filing of an additional document in appeal. In terms of Rule 14 when a party prefers an appeal against the order of the Registrar and seeks to produce documents, which were not placed before the Original Authority, then such appellant is required to seek the leave of the Court to file those additional documents. Therefore, reliance placed on Rule 14 by the petitioner is also misconceived and therefore, we reject the contention raised by the petitioner that a Miscellaneous Petition is not maintainable in law.

18. We may hasten to add that the petitioner has raised the question of maintainability of M.P. No. 50 of 2014, filed by the second respondent and such

maintainability has not been raised in the form of a counter to M.P. No. 50 of 2014, but by filing an independent petition questioning the maintainability and this petition filed by the petitioner has also been entertained and taken on file as M.P. No. 68 of 2014 and therefore, nothing more is required to be said on this issue.

19. On the next contention with regard to the reasons assigned by the IPAB in the impugned order, as rightly pointed out by the IPAB as long as there is no specific bar for entertaining a Miscellaneous Petition seeking for the relief of raising additional grounds and producing additional documents, the IPAB is vested with powers to deal with the same bearing in mind the principles of natural justice as well as the powers conferred on the IPAB under Section 92 of the Trade Marks Act. We may at this stage add that the Patent Procedure Rules defines Miscellaneous Petition, to be a petition or a request in writing and not an appeal or an application. Therefore, such Miscellaneous Petition is maintainable as per the Patent Procedure Rules.

20. The second respondent has stated that though the additional documents were available in the public domain, they were unaware of it and came to know only after they received the copy of the plaint in the Infringement Suit filed against them by the petitioner before the Delhi High court. The fact that the additional documents sought to be produced are available in the public domain has not been disputed by the petitioner. In such circumstances, as rightly held by the Tribunal curtailing the second respondent from producing the documents by raising a hyper technical plea, will undoubtedly be in violation of the principles of natural justice, more so when the proof and admissibility of those additional documents would be considered by the IPAB.

21. The learned Senior counsel appearing for the petitioner contended that Section 64 of the Patents Act deals with Revocation of Patents and Sub-section (1) of Section 64 of the Patents Act states that subject to the provisions contained in the Act, a patent, whether granted before or after the commencement of the Act be revoked on a petition of any person interested or of the Central Government by the Appellate Board or on a counter-claim in a suit for infringement of the patent by the High Court on the grounds enumerated in clauses (a) to (q). Reference was also made to Section 71 of the Patent Act, which deals with rectification of Register by the Appellate Board and in terms of sub-section (3) of Section 71 of the Patents Act, the same should be by an application before the Appellate Board. It is further contended that Section 117A, which deals with appeals to Appellate Board refers to only an appeal and in none of these three provisions, there is any reference to a Miscellaneous Petition and therefore, the IPAB has absolutely no jurisdiction to entertain a Miscellaneous Petition. The provision of the Patents Act referred to by the learned Senior counsel namely, Sections 64, 71 & 117A, falls under Chapter XII, XIII & XIX respectively and these chapters deals with Surrender and Revocation of Patent, Register of Patents and Appeals to the Appellate Board. By virtue of these

provisions revocation of a patent could be moved by any person interested, before the Appellate Board, which has been conferred with the power to revoke the patent if any one of the grounds mentioned in Section 64(1)(a) to (q) are made out. In cases where applications are filed for rectification, the appellate Board is entitled to exercise jurisdiction in terms of Section 71 of the Patents Act. Section 117A deals with the Appellate Powers of the IPAB. Thus merely because there is no mention of a Miscellaneous Petition in these three provisions of the Patents Act by itself would not mean that the IPAB is denuded of jurisdiction for entertaining a Miscellaneous Petition. This is more so because Rules have been framed under Section 117H called as Intellectual Property Appellate Board (Patent Procedure), Rules, 2010. These Rules enable the appellate Board to regulate its procedure and the Rules specifically defined a Miscellaneous Petition under Rule 2(1). Therefore, the appellate Board in order to effectively exercise its power is clothed with sufficient jurisdiction to entertain Miscellaneous Petitions, which in effect is a request made to the Board for certain reliefs and this request is neither an application under Section 64 or Section 71 or an appeal under Section 117A of the Patents Act.

22. Section 117B of the Patents Act deals with the procedure and powers of appellate Board and under Section 92 of the Trade Marks Act shall apply to the appellate Board while discharge of its functions under the Patents Act. Section 92 of the Trade Marks Act, 1999, which deals with procedure and powers of the appellate Board. In terms of sub-section (1) of Section 92, though the appellate Board shall not be bound by the procedure laid down in the Code of Civil Procedure, it shall be guided by principles of natural justice and subject to the provisions of the Act and Rules made under and the appellate Board shall have powers to regulate its own procedure including the fixing of places and times of its hearing. Sub-section (2) of Section 92, states that the appellate Board shall have the same power as vested in a civil Court under the Code of Civil Procedure, while trying a suit in respect of matters (a) receiving evidence; (b) issuing commissions for examination of witnesses; (c) requisitioning any public record; and (d) any other matter which may be prescribed. Thus on a conjoint reading of Section 92(1), 92(2)(a) of the Trade Marks Act and 107B of the Patents Act, we have no hesitation to hold that the appellate Board is vested with powers to regulate its own procedure as it is vested with the same powers of a Civil Court under Code of Civil Procedure, more particularly for the purpose of receiving evidence. Thus, the appellant Board was fully justified in entertaining the Miscellaneous Petition filed by the second respondent.

23. Furthermore, the Tribunal has not out rightly rejected the contentions raised by the petitioner on the merits of the proof and relevancy of the documents, but rightly held that the documents produced are taken on record subject to proof and relevancy. Nothing has been placed before this Court to show as to what prejudice has been caused to the petitioner, on such course being adopted by the IPAB. It is well open to the petitioner to raise all the defences including the defence regarding the proof and relevancy at the time of hearing of the main

Revocation Application, which is pending and the petitioner has also filed their counter to this Application.

24. In the light of the above discussion, we have no hesitation to hold that the order impugned passed by the IPAB is valid and calls for no interference. Accordingly, the Writ Petition fails and it is dismissed. Needless to state that it is open to the petitioner to raise all contentions available to them both under law as well as on facts before the IPAB in the pending Revocation Petition. No costs. Consequently, connected miscellaneous petitions are closed.