

## The Supreme Court Clarifies Indian Patent Invalidity Proceedings

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The Indian intellectual property scenario is developing at a very fast rate in India and one finds some or the other newspaper headline related to the same. The current section is devoted to presenting current IP news in the limelight to keep the readers abreast with the changing trends. The spotlight for September 2014 is on the latest Supreme Court ruling in the area of patent procedure. Any comments or suggestions may be sent to [neeti@anandandanand.com](mailto:neeti@anandandanand.com).

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*The recent intellectual property decision of the Supreme Court<sup>1</sup> issued in June 2014 completely revamped patent validity challenges to streamline the process of invalidating the patents granted by the Indian Patent Office.*

The case of *Alloys Wobben and anr v Yogesh Mehra and ors*, 2014 (decision hereinafter referred as *Wobben*) is only the seventh patent case which has been decided by the Supreme Court of India and it impacts the procedure to challenge Indian patents drastically. This decision is of special benefit to the patentee who has or would now be initiating an infringement action in India.

### Patent Challenges in India

Prior to *Wobben*, a patent granted in India could be challenged by either one or in any combination of the following three routes simultaneously subject to the following criteria:

Challenge route	Forum	Eligibility	Time limitation
Post grant opposition <sup>2</sup>	Patent Office	Interested person	Within one year from publication of grant <sup>3</sup>
Revocation petition <sup>4</sup>	Intellectual Property Appellate Board (IPAB)	Interested person or Central Government	Throughout the term of patent
Counter claim in a suit for infringement <sup>4</sup>	High Court	Defendant in infringement suit	Pendency of infringement suit

Other than the above, the Central Government can also invalidate a patent on the basis of the following: (i) prejudice to public, (ii) relation to atomic energy and (iii) failure to allow the use of the patent invention for purposes of Government. For the purposes of this article, only the above three challenges would be discussed as these were the focus in *Wobben*.

The pre-*Wobben* procedure provided a multi-prong attack to the validity of the patent at different forums with no provision in the patent statute to stay any of the proceedings during the pendency of the other. This was a clear violation of the Code of Civil Procedure which directs avoidance of multiple proceedings between same parties on same issues.<sup>5</sup>

Three clear interpretations with respect to the available course of action challenging validity of a patent have been summarized in *Wobben*. The same is explained below and depicted in schematic manner in Fig. 1.

The issue first dealt with in *Wobben* was whether Section 64 of the patent statute provided for a double forum challenge to an infringement suit defendant i.e., revocation before IPAB and also a counter claim for revocation before the High Court. The answer was a 'no'.

Section 64(1) of the patents act has been interpreted by *Wobben* to provide only one attack to the patent by the infringement suit defendant in view of the term "or" being used in the statute. The infringing party can either file a revocation petition or a counter claim for revocation, but certainly not pursue both the proceedings.

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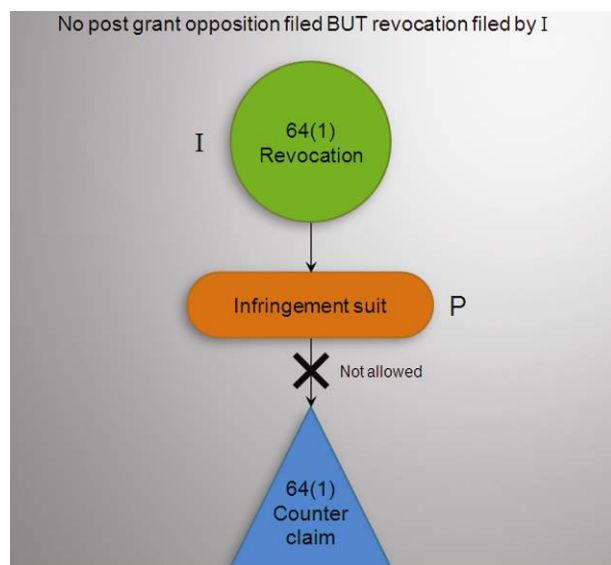


Fig. 1

For instance if a revocation petition is filed before the IPAB by an interested party and thereafter the patentee initiates an infringement action against the said interested party, then the interested party would not be allowed to challenge the validity in a counter claim suit (see Fig. 1). This is based on the principles of *res judicata* appreciated by everyone.

Further, the filing of the revocation petition is again subject to the same being filed prior to the filing of the infringement suit, i.e. if the revocation petition is not filed by an interested party and a suit for infringement was initiated by the patentee against said party, the infringing party has only one option to attack the validity of the patent. As the infringement suit is already filed, it is very likely that the option would be filing of a counter claim for invalidity eclipsing the right to file the revocation petition (see Fig. 2).

This interpretation certainly provides relief to the patentee who need not worry about defending his patent right simultaneously before different forums on same issues.

*Wobben* goes even further in bringing the post-grant opposition proceeding under Section 25(2) in perspective in case of a Section 64(1) proceeding. For example, if an interested party files a post grant opposition against a patent application of a patentee and fails in convincing the patent office to remove the patent from the register of patents, the interested party loses the right to challenge the patent validity in any proceeding under Section 64. In other words, *Wobben* says that filing of a post grant opposition

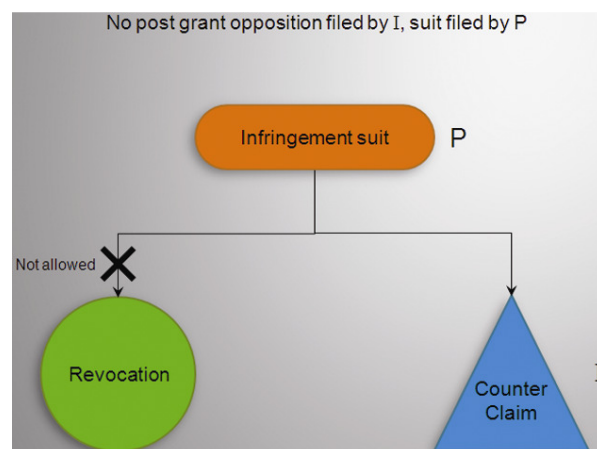


Fig. 2

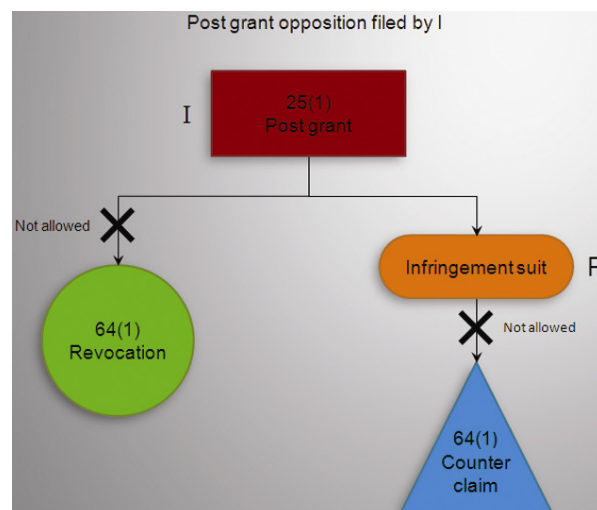


Fig. 3

takes away the right of the interested party to file a revocation before the IPAB as well as to file a counter claim for invalidity in case an infringement action is initiated by the patentee (see Fig. 3).

The above interpretations in *Wobben* establish the fairness that India wishes to provide to the innovators for enforcing their intellectual property rights. The decision further opens plethora of possibilities in terms of various strategies that can be used by patentees or interested parties in approaching the various forums as per their business needs.

### Conclusion

The Supreme Court of India has once again directed a patent procedural change which benefits the patentee and therefore will be welcomed by the innovators. However one must not forget that this decision applies only to the invalidity proceedings

initiated by the same party. Multiple challenges to a granted patent are still available by way of proceedings that are initiated by different parties before the Indian Patent Office. As the multi-party pre-grant opposition strategy is frequently used in India, it remains to be seen as to how many times there would be requirement of lifting of the corporate veil and what the future of the patent validity challenges would be post *Wobben*.

## References

- 1 Supreme Court Civil Appeal no. 6718 of 2013.
- 2 Section 25(2), Indian Patent Act 1970.
- 3 The *Wobben* decision comments appear to imply that the enforcement of an Indian patent can be only after the one year post-grant period. This was only an observation and not ratio of the case, though worth mentioning.
- 4 Section 64(1), Indian Patent Act 1970.
- 5 Section 10 and Section 151 of the Code of Civil Procedure, 1908.