

IP News at a glance!

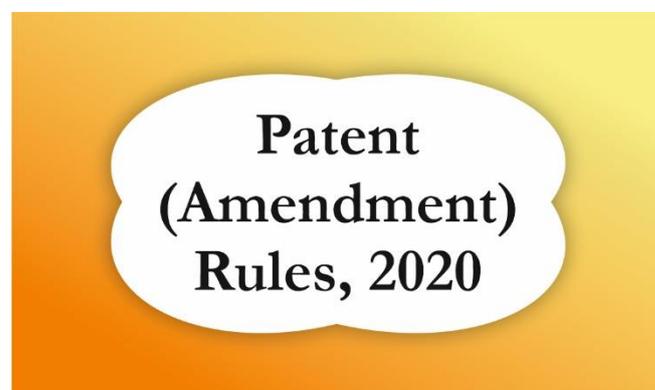
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LEGISLATIVE UPDATE

Patent (Amendment) Rules, 2020 revise working statement provisions

The Ministry of Commerce and Industry, Department for Promotion of Industry and Internal Trade (DPIIT), Government of India, has notified amendments to the Indian Patent Rules, 2019. The new Rules are called the [Patent \(Amendment\) Rules, 2020](#).

Broadly, the amendments concern two provisions of the Patent Rules, 2019, namely, Rule 131 dealing with the filing of annual Statement of Working (Form 27) and Rule 21 dealing with the filing of priority document (PCT National Phase applications).



Amendments to Rule 131

- **Timeline:** Sub rule (2) of Rule 131 has been amended to change the time limit for submitting the annual Statement of Working (Form 27). The new Rule requires submitting Form 27 to a date within six months from the date of expiry of each financial year (FY) (**not calendar year**), i.e., year ending on March 31st. Thus, according to the new Rules, Form 27 for previous FY can be filed by 30th September of the subsequent FY.
- **Changes in Form 27:** The new Form 27 has been simplified and the key changes are:
 - allows the patentee to provide the “approximate” (instead of exact) amount of revenue earned or value accrued by way of manufacturing in India or importing into India. Requirement of ‘quantum’ is removed.

- allows submitting information in respect of multiple ‘related’ patents, where the approximate revenue /value accrued from a particular patented invention cannot be derived separately from that of the related patents, provided all such patents are granted to the **same** patentee.
- Provides a space for 500 words if a patentee wishes to offer explanation regarding working or non-working of the patent.
- Requires every patentee and every licensee (exclusive or otherwise) to submit Form 27 for a given patent (or a bunch of related patents owned by a single patentee). Joint owners can file one single Form.
- An authorised Agent can also sign Form 27 on behalf of the Patentee/Licensee.

Key items deleted from Form 27: The revised form has removed the following requirements:

- Statement from the Patentee/Licensee as to whether or not the public requirement of the patented invention has been met partly/adequately/to the fullest extent.
- Details of licenses and sub-licenses granted during the year.
- Country-wise details of importation.

Rule 21: Filing of priority document (PCT National Phase applications):

- Sub Rule (1) has been amended to be consistent with Rule 17.1 (b-*bis*) of the PCT Regulations. This provision exempts an applicant from submitting physical copies of a priority document at the International Bureau (IB) by making a request prior to the publication of the international application, to the effect that the IB should obtain the said priority document through a digital library (e.g., WIPO-DAS). In practice, a copy of the PCT/IB/304, issued by the IB, will be sufficient to comply with the requirement of

filing priority document under amended Rule 21, in case of a national phase application.

- The verified English translation of a non-English priority document duly authorized by the applicant or the person duly authorized by him, will now be required only if the requirement specified in sub-paragraph (i) and (ii) of paragraph (e) of PCT Rule 51*bis.1* are not complied with. In such a situation, the Controller will invite the applicant to submit a verified English translation of the priority document and if the applicant fails to submit the same within 3-months of the date of invitation, the priority shall be disregarded.

Delhi High Court notifies draft Rules governing patent suits

The Delhi High Court has notified a draft of the ‘High Court of Delhi Rules Governing Patent Suits, 2020’ (*the 2020 Rules*) seeking comments from the Bar. The 2020 Rules are aimed to streamline the adjudication procedure vis-à-vis patent suits, in addition to Section 129 of The Code of Civil Procedure (CPC). Further, where there is a conflict with the Delhi High Court (Original Side) Rules, 2018, the 2020 Rules (when finally notified) would prevail.

To simplify the procedure, the 2020 Rules have defined the terms, “Act”, “Patent Suit”, “Claim Construction Brief”, “Invalidity Brief”, “Infringement Brief”, “Non-Infringement Brief”, “Damages Brief/Rendition of Accounts”, “Scientific Advisors”, “Technical Primer” and “Priority Patent Application”.

With patent infringement suits in diverse technology areas seeing a surge in India in the last decade, the 2020 Rules (if implemented), are expected to reduce the complexities and delays that accompany such suits.

IPAB hears patent appeals through video-conferencing in view of COVID-19 pandemic

The Intellectual Property Appellate Board (IPAB) has been quite active at least for the last 3 months,

despite the unprecedented situation created by the pandemic. Despite its Chairman's tenure being extended until December 21, 2020 by the Supreme Court, the IPAB could not actively hear patent matters because of delays in appointment of Technical Members. However, with the joining of a total of five new Technical Members in late August, of which one is for patent matters, the IPAB has received a fresh lease of life. With a number of interesting orders in patent matters being issued in the last couple of months, things are looking positive for appellants. A few of these orders are also covered in this edition of our newsletter.

CASE LAW UPDATE

PATENTS

Defendant cannot hide behind the pandemic to claim relief against injunction – Delhi High court

In the matter of *INDOCO Remedies Ltd. vs. Bristol Myers Squibb Holdings Ireland Unlimited Company & Ors.*, September 2020, the Division Bench of the Delhi High Court (DB), held that prevailing COVID-19 pandemic situation cannot be used by a defendant to escape an injunction order.

In this case, Bristol Myers Squibb Holdings Ireland Unlimited Company & Ors ("BMS") had sought a relief of injunction before the Single Judge of the Delhi High Court against INDOCO Remedies Ltd. ("INDOCO"), restraining INDOCO from infringing its Indian patent covering the drug Apixaban.



The Single Judge had enjoined INDOCO from manufacturing or selling the generic product

APIXABID and rejected its plea that it be allowed to continue selling the medicine since it was already in the market. While issuing the injunction, the Single Judge had noted that despite being fully aware of the previously instituted suits by BMS to enforce its patent, INDOCO proceeded to launch the infringing APIXABID product.

Aggrieved by the order, INDOCO appealed before the DB. Citing urgency and extraordinary circumstances, INDOCO filed an application before the DB seeking relief against the injunctive order. It was argued by INDOCO that Apixaban is instrumental in COVID-19 treatment and that BMS' drug was not only highly priced, but its availability is also scarce; that, therefore, it should be allowed to sell the stock of its APIXABID product manufactured before the Single Judge's order. BMS countered this and argued that if INDOCO is interested in selling the drug during the pandemic, it should seek a compulsory license from the Central Government.

The DB rejected INDOCO's application and noted that without any evidence to support its contentions, it could not merely use the premise of public interest to escape injunction and that its application lacked merit.

Order set aside; IPO directed to grant patent for Tofacitinib despite pre-grant opposition

In a recent order in the matter of *Pfizer Products Inc vs. The Controller of Patent & Designs (OA/2/2016/PT/MUM)*, the Intellectual Property Appellate Board (IPAB) not only set aside the order of the Indian Patent Office (IPO) which rejected Pfizer's patent application number 991/MUMNP/2003 ('IN '991), but also directed the IPO to grant the patent.

The decision is interesting in that it categorically differentiates generic disclosure versus specific disclosure, and the laws of anticipation by prior claiming. The decision also discourages the filing of

frivolous oppositions to delay grant of patent applications.

The application in question was directed to TOFACITINIB (3-{(3R, 4R)-4-Methyl-3-[methyl-(7H-pyrrolo[2,3-d]pyrimidin-4-yl)-amino]-piperidin-1-yl}-3-oxo-propionitrile) and pharmaceutically acceptable salts thereof. It was refused by the IPO on, *inter alia*, the grounds of anticipation by prior claiming and section 3(d).

Pfizer challenged the refusal order before the IPAB, among others, on the grounds that the order breached the principles of natural justice, since the objection of anticipation by prior claiming was never communicated in the hearing notice. Further, for section 3(d), no known substance was identified by the controller to have rejected the claims on this ground.

The main prior art document cited by the controller for novelty was WO 0142246 (D1) that claimed and disclosed the compound 3-(4-methyl-3-[methyl-(7H-pyrrolo[2,3-d]pyrimidin-4-yl)-amino]-piperidin-1-yl)-3-oxo-propionitrile, which was published after priority date of present application.

Moreover, during the prosecution of the application, Pfizer had submitted comparative data to support the surprising efficacy of the claimed compound, Tofacitinib monohydrate, against the compound disclosed in D1. Pfizer also provided evidence to prove that the compound claimed in D1 is the base compound and its enantiomerically pure form was claimed in IN '991, and that the CAS registry number of the racemic mixture of the compound disclosed in example 14 of D1 was different from that of the present application.

Allowing Pfizer's appeal, the IPAB directed the IPO to grant a patent. The key findings of IPAB are as follows:

- Section 3(d): For section 3(d), prior art has to be known to the public and not the inventor/applicant of the patent specification.

Inventor's knowledge is immaterial in patentability analysis.

Section 3(d) is not applicable to the present case as there is no 'Known compound'. D1 was not publicly available at the priority date of the present application. Further, even if Section 3(d) is applied without prejudice, the applicant's evidence has established the superiority of claimed form over 3-{4-methyl-3-[methyl-(7H-pyrrolo[2,3-d] pyrimidin-4-yl)amino]-piperidin-1-yl}-3-oxopropionitrile, and other enantiopure forms of compounds of D1.

- Anticipation by prior claiming: The Court observed that it is settled law and principle of anticipation that a generic disclosure does not take away the novelty of a claim of a specific disclosure, or else several provisions of the Indian Patents Act including section 3(d) would be rendered irrelevant.

The Board pointed out that it is a legally established principle that no data, establishing superiority of unexpected results is required to overcome the objection of anticipation be it anticipation by prior claiming or anticipation by prior publication.

The party/applicant is to only establish that "3R, 4R" has not been specifically claimed in the cited art.

In an interesting turn of events, after the appeal order was orally announced by IPAB, a third party filed a pre grant opposition against the grant of a patent and made a representation before it. The Board dismissed the representation, and heavily rebuked the opponent, remarking that the provision of pre-grant oppositions should not be misused to delay the grant of a patent because the patent in this case is yet to be granted even after 18 years.

The Board observed that even after 18 years, the patent is yet to be granted. The Object and Reasons of the Patent Amendment Act, 2005 states that –

While considering the third set of amendments of the Act, efforts have been made not only to fulfil our final obligation under the TRIPS Agreement but also to simplify and rationalize the procedure grant of patents so as to make the system more efficient and user friendly.

Further, the IPAB noted that bogus/proxy/anonymous oppositions should not be entertained by the IPO and must consider only genuine oppositions.

Besides reproaching bogus oppositions, this order sets a good precedent on anticipation by prior claiming in India and on peculiar provisions such as Section 3(d) of the Act.

Divisional applications in India: IPAB provides more clarity



In two recent decisions, the IPAB provided further clarity on filing and scope of allowance of divisional applications under the Indian Patent law.

Case 1: In the matter of *Bayer Aktiengesellschaft vs. The Controller of Patent & Designs*, Bayer was appealing the rejection of its divisional patent application no. 507/MUM/2008 (“Application”) by the Indian Patent Office (IPO). During the prosecution of this case, Bayer was asked to make Claims 4 to 6 and Claims 7 to 10 of its Application, dependent upon Claim 1. However, finding this infeasible, Bayer deleted Claims 1 to 3 and proceeded with Claims 4 to 6 in the parent application (which was subsequently granted), while filing a divisional application for Claim 10.

However, during the prosecution of the divisional application, the IPO raised an objection on the ground of patentability but rejected the application on the ground inter alia that claim 10 is not distinct

from the claims of the parent application and therefore, does not constitute a valid divisional under Section 16 of the Patents Act, 1970. Aggrieved, Bayer filed an appeal before the IPAB.

The IPAB held that the IPO had committed a grave procedural irregularity by reintroducing the objection on the validity of the divisional application during the official hearing, without prior notice. It also held that the impugned order violated the principles of natural justice for this very reason. The IPAB observed that it is a settled position of patent law that if it is technically infeasible to make an independent sub-claim dependent on the main claim, the subject matter of such claim would be distinct from the subject matter of the main claim. Thus, Bayer had been penalized for carrying out a technically infeasible amendment in the parent application. It held that the IPO erred in refusing the subject divisional application on the ground that claim 10 pursued in the divisional application ought to have been pursued in the parent application by rewording the same in the dependent format. Finally, IPAB held that the Application met all the requirements of Section 16 of the Patents Act, 1970 and directed the IPO to grant a patent on the Application.

Case 2: In the matter of *Nippon Soda Co. Ltd. vs. The Controller General of Patents, Designs and Trademarks*, the IPAB was hearing an appeal filed by Nippon Soda Co. Ltd (“Nippon”) against the IPO’s order refusing its divisional patent application No. 2745/KOLNP/2009 (“Application”). The IPO had refused the Application on the ground that its claims were similar to those in the parent application and that there was no distinction between the parent application and the Application. Thus, according to the IPO, the claims of both applications were covered under a single invention/ inventive concept. Nippon’s attempts to amend the claims were unsuccessful as the IPO refused to allow such amendments even at the hearing stage.

The IPAB held that as per Section 16 of the Patents Act, 1970, a divisional application (further application) may be filed voluntarily by an applicant “if he so desires”, or with a view to remedy a defect on the ground of non-unity of invention, at any time while the parent application is pending, with subject matter disclosed in the parent application, but not claimed therein. The Board also reiterated that the basis of a divisional application is the existence of a plurality of inventions. If the claims of a patent application do not relate to a single invention, the law provides the applicant to file a further application on his own or at the instance of the Controller.

The IPAB thus held that as per Section 16 of the Indian Patents Act, as well as the case law in this area, a divisional application is permitted, as long as there is more than one invention disclosed in the parent application and for a different combination of components. Further, the IPAB held that the Application claimed different combinations of components compared to the parent application and hence, it is a valid divisional application. Accordingly, it directed the IPO to grant a patent in the Application and to publish the same.

Scope of claim amendments under Indian patent law clarified by IPAB

The IPAB order in the matter of *University of Miami vs. The Controller of Patents*, has come as a welcome respite against the stringent view of the IPO on Section 59 of the Indian Patents Act (“Act”). Section 59 deals with the scope of claim amendments in an Indian patent application. It also reaffirmed that a decision by which the rights of the applicant are being denied, must be a speaking order.

The claims of the application by University of Miami (“UOM”) in question were directed to ‘*a composition comprising CoQ 10 and a pharmaceutically acceptable carrier*’. In a preferred embodiment of the invention, coenzyme Q10 was formulated in a liposomal formulation, having liposomes as a carrier.

During prosecution, the composition claims were revised and limited to be directed to liposomal composition for the treatment of cancer comprising 0.01 to 30% w/w coenzyme Q10 and a liposome for topical and intravenous administration.

Post-filing data was provided by way of expert affidavits to support the data present in the specification, in order to demonstrate the efficacy and synergy of the said composition.

The application however, was refused by the IPO on grounds, among others, as being impermissible in view of Sections 59 and 3(d). The Controller held the claim amendments, combining the carrier liposome with active drug molecule, Coenzyme Q 10 and evidence for enhancement of activity (as proposed by further documents) as beyond the scope of invention as described in the complete specification as on record.

The Controller further opined that the technical results or post filing data cannot be included in the descriptive part of the complete specification as it is not allowable as per section 59 of the Act.

Aggrieved, UOM appealed before the IPAB. The appeal was allowed by the IPAB with the following key conclusions:

- A limited scope of claims, which define an embodiment of the initial claims exemplified in the specification, cannot be held to be beyond the scope of what was originally filed.
- Section 3(d) is not applicable to composition/combination claims.
- Filing of additional documents, data and evidence in support of the invention, to overcome the objection raised and to attack a specific objection is allowed under the patent law of not only India but also other foreign jurisdictions.

IPO is bound to give valid reasons if a contrary view is taken of the same invention, patentability of which has been recognized in other countries of the world.

DOMAIN NAMES

Bombay High Court on the nature of relief in domain name disputes

In an interesting order passed in *Hindustan Unilever Limited v. Endurance Domains Technology LLP & Ors*, the Bombay High Court has clarified the kind of reliefs that could be sought against domain name registrars in domain name and cybersquatting disputes.



The plaintiff, Hindustan Unilever Limited (HUL), a subsidiary of Unilever alleged in the suit that several unknown persons had registered fake and fraudulent domain names. It was alleged that these parties had set up websites and made false promises to entice unsuspecting members of the public to part with significant amounts of money for being appointed as authorized dealers of HUL products. Some of these domain names were <hulcare.co.in>; <unilevercare.co.in>; <unilevercare.org.in>; and <www.unilevercare.co.in>. While the numerous defendants arrayed in the suit included the National Internet Exchange of India (NIEI), the .IN Registry, the various domain name registrars and banks, one of the defendants was also the Indian John Doe, “Ashok Kumar”, representing unknown persons using variants of the HUL domain name to register fake and fraudulent domain names and to set up websites.

While the Court acknowledged that the domains listed in the plaint were registered in bad faith and that there is a grave violation of HUL’s valuable statutory and common law IP rights, it had reservations about the nature of injunctions sought by HUL as these were technically infeasible for the following reasons:

- The Court found the relief sought by HUL to direct the .IN Registry and NIEL to “to de-register or block access” to be misdirected as neither of these is a registrar. The Court noted that while a domain name may have its registration suspended, the domain name registrar cannot ‘block access’ to that domain name as a domain name registrar can only be asked to suspend a domain name registration.
- Blocking access to a domain name or URL, according to the Court, is an instruction that could be issued to internet service providers. The Court further noted that while a webhost may be ordered to take down a website, or to withdraw web hosting services, it is not the same as ‘blocking access’.

The Court also refused to pass a dynamic injunction against the domain registrars restraining them, among others, from registering or allowing the continued registration of any domain names containing the expressions, ‘hul’, ‘hindustan unilever’, ‘hindustan lever’ ‘unilever’, ‘lever’ or parts thereof. While declining the said relief, the Court noted that the entire process of the registration of domain names is automated and requires no manual intervention or involves no human element to oversee or assess the legitimacy of any chosen domain name.

For the same reasons, the Court also noted that no domain name registrar can put any domain names on a black-list or a block list.

HUL's relief to devise a suitable mechanism to effectively deal with further fraudulent domain names and websites was rejected by the Court by observing that eternal vigilance on the part of a plaintiff is the cost of doing large-volume business. Court pointed out that it is always open to HUL to approach the domain registrars for the suspension of any infringing domain name registrations and the suspension of any web hosting privileges. However, the Court added that the domain name registrars are not obliged to allow such requests.

The Court also observed that what needs to be established is a working protocol within the limits of what the technology can do and what the law permits and encouraged all the parties to explore such a settlement so that these disputes between HUL on one side and the domain name registrars on the other do not come in the way of the real objective, which is to find the culprits behind these offending websites.

TRADEMARKS

Generic abbreviations are incapable of trademark registration: Delhi High Court

In a suit involving pharmaceutical trademarks (*Bharat Biotech International Limited v Optical Health Solutions Pvt. Ltd.*), the Delhi High Court held that abbreviations of generic terms are incapable of registration or of acquiring distinctiveness. The plaintiff, Bharat Biotech International Limited ("Bharat Biotech") was the inventor and prior user of the mark 'TCV'. TCV is the abbreviation of 'Typhoid Conjugate Vaccine', a vaccine invented by Bharat Biotech for typhoid. Bharat Biotech had registrations for the marks 'TCV' and 'TYPBAR–TCV.' The dispute between the parties arose when the defendant, Optical Health Solutions Pvt Ltd ("OHS"), started using the mark 'ZYVAC–TCV' for its own typhoid vaccine. It was Bharat Biotech's claim that the mark 'TCV' had acquired a secondary meaning and possessed well-known status owing to its continuous international usage.

The question before the Court was whether OHS' above use of TCV, which is an abbreviation for a vaccine name, amounted to infringement of Bharat Biotech's rights. The Court stated that while generic and descriptive terms that have acquired distinctiveness can be afforded trademark protection, abbreviations of descriptive words cannot and should not be given protection as trademarks. The Court noted that even if a descriptive abbreviated trademark has been validly registered, such registration is liable to be cancelled unless the proprietor can establish distinctiveness of the mark.



The Court observed that medical journals and the medical community commonly referred to *Typhoid Conjugate Vaccine* as 'TCV' and hence, Bharat Biotech's mark was descriptive of its goods. The Court while referring to the 'Spectrum of Distinctiveness' by McCarthy noted that the common use of the term in the medical community made the mark generic and indicative of the type of goods that the mark referred to.

Though Bharat Biotech argued that 'TCV' had acquired distinctiveness through extensive use, the Court pointed out that to establish distinctiveness of a generic term, Bharat Biotech would have to establish that the use of the term was synonymous with the mark. Court noted that this was an issue that could be looked at only during trial.

Accordingly, the Court concluded as follows:

- 'TCV', being a generic abbreviation cannot be a coined term as claimed by Bharat Biotech;

- Bharat Biotech could not be granted exclusivity for a term that is common to trade and hence the alleged similarity between the marks TYPBAR-TCV and ZYVAC-TCV could not have been adjudged based on the use of the term ‘TCV’;
- Bharat Biotech is not using ‘TCV’ *per se* and the packaging and stylization of both marks on the products are significantly different.
- Since OHS had not sought registration of the mark ‘TCV’, no case of infringement was made, nor were there any chances of confusion.

COPYRIGHTS

Delhi High Courts issues a dynamic injunction in a copyright suit

Disney Enterprises, Inc. & Ors. V. Kimcartoon.to & ors, is yet another case where an order of dynamic injunction was issued by the Delhi High Court in recent times to the plaintiff, Disney Enterprises, Inc (“Disney”). The order restrained certain rogue websites from hosting, streamlining, making available to the public and communicating to the public any cinematograph work, content, programme and show in which Disney has copyright.



COPYRIGHT SUIT

The Court made it clear that this injunction would also operate in respect of the mirror/redirect/alphanumeric websites, which could be put in place

by the operators of these rogue websites. The Court also directed the Internet Service Providers (ISPs) to block access to these rogue websites, including any mirror/redirect/alphanumeric websites.

The Court further gave liberty to Disney to file an application to array other rogue websites in this matter which may be discovered after the issuance of the interim order. The Court noted that in these cases, the Courts need to dynamically monitor such egregious illegality and, if necessary, pass interim orders to restrain similar rogue websites from illegally streaming creative content in which Disney has copyright.

This newsletter is intended to provide only information and updates of intellectual property law in India. No part of this newsletter shall be construed as legal advice. Any queries that readers may have on any of the information published herein should be directed to postmaster@knspartners.com or to K&S Partners, Chimes 61, Sector 44, Gurugram, Haryana 122 003, National Capital Region, India

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