

The background features a white page with abstract red geometric elements. Three large, overlapping circles are arranged in a triangular pattern. The top circle is partially cut off by the top edge. The middle circle is smaller and positioned between the top and bottom circles. The bottom circle is the largest and is partially cut off by the bottom edge. Two thin red lines intersect at the top center and extend downwards, passing through the centers of the top and middle circles, and continuing towards the bottom right corner.

## **Supreme Court Addresses Issues of Multiplicity of Proceedings in Patent Disputes**

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## **Supreme Court Addresses Issues of Multiplicity of Proceedings in Patent Disputes**

In India, a patent may be invalidated in three ways, namely, by post grant opposition, by revocation proceedings before the Intellectual Property Appellate Board (IPAB) and by a counter-claim in an infringement suit before a High Court (HC).

In case of a post grant opposition, the grant of a patent application can be opposed under [Section 25\(2\)](#) of the Indian Patent Act, 1970 by filing Form 7 with the Indian Patent Office within one year from the date of publication of the grant. The Controller of Patents can then invalidate the patent based on the post grant opposition filed by an opponent.

In case of revocation proceedings before the IPAB, the opponent can file a petition for revocation of the patent with IPAB. The IPAB can in turn revoke the patent based on grounds enlisted in [Section 64 \(1\)](#).

During the infringement suit, the opponent can file a counter claim for revocation of the patent in HC under Section 64.

So far, there was no provision for inhibiting an opponent from carrying out such proceedings simultaneously. However, with the recent Supreme Court (SC) verdict in Dr. Aloys Wobben vs Yogesh Mehra case (dated: 2<sup>nd</sup> June, 2014), the SC has streamlined revocation procedures of patents. Thereby, the verdict bars an opponent from resorting to these proceedings simultaneously.

### **Facts of Dr. Aloys Wobben versus Yogesh Mehra and others:**

Dr. Aloys Wobben is the appellant and Enercon India Limited (New name is Wind World India Limited) are the respondents. Yogesh Mehra and Ajay Mehra are the directors of Enercon India Limited.

Dr. Aloys Wobben is a German electrical engineer, scientist and entrepreneur. Dr. Aloys Wobben is well-known for several inventions in wind turbine industries with 2700 patents in more than 60 countries. Dr. Aloys Wobben is also engaged in manufacturing of wind-turbines under the name of Enercon GmbH. Dr. Aloys



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Wobben has been carrying on the wind turbines manufacturing process in India through a joint venture partnership with Yogesh Mehra and Ajay Mehra.

Enercon India Limited was formed in 1994 as a joint venture between Enercon GmbH, Yogesh Mehra and Ajay Mehra. An intellectual property license regarding technical know-how to carry out the wind turbine manufacturing process was granted by Dr. Alloys Wobben to Enercon India Limited. According to the appellant, all the obligations in the intellectual property license agreement dated 29<sup>th</sup> November, 2006 were not fulfilled. Thus, Enercon GmbH terminated the intellectual property license agreement on 8<sup>th</sup> December, 2008. The respondents continued to use the appellant's patented technology even after the intellectual property license agreement was terminated. The respondents had filed 19 petitions for revoking patent of the appellant before the IPAB under section 64(1) of the Patent Act, 1970 in January 2009.

Due to the 19 revocation petitions filed by the respondents before the IPAB, the appellant filed 10 patent infringement suits against the respondents before the HC. The respondents were open to raise a counter-claim for the revocation of the patent during the patent infringement suits. Additionally, the respondents filed 4 more revocation petitions against the appellant before the IPAB after the institution of patent infringement suits. Thus, in all the respondents had filed 23 revocation petitions before the IPAB to revoke the patents held by the appellant. The exact same counter claims were filed by the respondents in response to the patent infringement suits. The issues which the respondents were putting forward in the IPAB were also put forward in HC simultaneously during the patent infringement suits.

During the patent infringement suits, out of the 19 revocation petitions, the IPAB had revoked 12 patents. The appellant challenged the 12 orders of the IPAB before the Madras High Court via writ petitions. The writ petitions are still pending before the Madras High Court (as of 30<sup>th</sup> June, 2014). Out of the remaining 7 revocation petitions, the IPAB revoked 6 patents and the 7<sup>th</sup> patent application was required to be amended for approval from the Controller of patents.

The case of Bayer v. Cipla before the Delhi High Court had a similar issue where Cipla had filed a post-grant opposition at the Indian Patent Office and a counter-claim for revocation before the Delhi High Court. In this case, Bayer moved an application seeking a stay of the post-grant opposition. However, the High Court

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was not required to pass an order in that case because Cipla agreed to adjourn the matter before the Indian Patent Office.

### **Issue:**

Can a patent counter-claim and a revocation proceeding be pursued simultaneously by the same opponent?

### **Proceedings:**

The appellant submitted that where a counter-claim is instituted in response to a suit for infringement of a patent in the High Court, there can be no further proceeding in the revocation petition filed before the IPAB. There should not be any difference even if such proceedings had been instituted before or after the filing of the suit for infringement.

The appellant also contended that the jurisdiction of a High Court to decide a counter-claim for revocation was exclusive and could not be taken away by initiating proceedings simultaneously before the IPAB. The appellant explained that the proceedings before the High Court of the counter-claim would negate all similar proceedings against the same patent on the same grounds before the subordinate forum which is the IPAB in this case.

It was submitted that the power of the High Court to decide a counter-claim seeking revocation of a patent in a suit for infringement could not be taken away due to a revocation petition pending before the IPAB for the same patent on the same grounds.

The respondents argued that the IPAB was only an administrative tribunal which was neither superior to the High Court nor vested with a coequal status as that of the High Court. The determination by the IPAB can be corrected by the High Court in an appropriate case through writ proceeding and cannot be allowed to derail the plea of revocation raised through the counter-claim before the High Court.

The appellant also contended that once a counter-claim for revocation was instituted, the High Court alone would be vested with the charge for determining the merits of the plea of revocation. The proviso to [Section 104](#) of the Patents Act,

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states that once a counter-claim had been filed in a suit for infringement, the same was liable to be transferred to the High Court for determination.

Another contention of the appellant was the use of "or" in Section 64(1) indicates that the same person cannot adopt both the approaches of revocation mentioned in Section 64(1) simultaneously. The word "or" cannot be construed as conjunctive. Thus, the interested person is required to choose between the two approaches.

The appellant also contended that the course adopted by the respondents amounted to misuse of the judicial process.

### **Decision**

As stated in the judgment, there are very low chances that a patent infringement suit would be filed while the proceedings under Section 25(2) are pending or within a year of the date of publication of the grant of a patent.

If any person interested had filed a revocation petition before the institution of a patent infringement suit, the interested person cannot be permitted to file a counter-claim on the same cause of action.

If the revocation petitions are filed after the patent infringement suit, then the institution of the patent infringement suit would not be upheld. Thus, the appeal for revocation of the patent shall be adjudicated while disposing the counter-claim filed by the respondents. Therefore, while the counter-claim will have to be permitted to be pursued, the revocation petition cannot be permitted to be continued.

Regarding the appellant's content for the word "or" in section 64(1), the judgment includes the following lines where the appellant contention for word "or" in the section 64(1) was accepted:

*"We do not have the slightest hesitation in accepting the above contention (fifth in the series of contentions), that even though more than one remedies are available to the respondents in Section 64 of the Patents Act, the word "or" used therein separating the different remedies provided therein, would disentitle them, to avail of both the remedies, for the same purpose, simultaneously. On principle also, this would be the correct legal position."*



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The SC also accepted the contention of Dr. Wobben and held that if the consenting parties have one of the available remedies, then the consenting parties are not allowed to try to seek compensation from another forum in addition to the consented forum. The SC affirmed the consent order passed by the High Court and respondents will have to pursue the counter claims before the High Court and not the revocation petitions before the IPAB.

### **Conclusion**

If an entity (any person interested) has filed a post grant opposition under Section 25(2), the same would eclipse all similar rights available to the very same entity under Section 64(1). The rights under section 64(1) include the right to file a revocation petition before the IPAB and a counter claim in a patent infringement suit.

If a revocation petition is filed by an entity (any person interested) under Section 64(1), prior to the institution of a patent infringement suit against the entity, the entity would be disentitled in law from seeking a revocation of the patent by way of a counter-claim in a patent infringement suit.

If in response to a patent infringement suit, the defendant has already sought for revocation of a patent by way of a counter-claim, thereafter, the defendant cannot file for a revocation petition before the IPAB.

This judgment provides a clear picture for avoidance of multiplicity of proceedings before different forums. The judgment also answers several questions regarding proper forum for challenging validity of a patent.



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**Points to Ponder:**

The SC judgment would avoid situations when the IPAB and the HC provide conflicting decisions. The judgment would also help in reducing the cost of litigations for both patentees and opponents.

As per the judgment, when a respondent is sued for a patent infringement, if the respondent has initiated revocation proceedings before the IPAB, the respondent will not be allowed to file a counter-claim. In such a situation, if the respondent elects to continue the revocation proceedings, then should the HC stay the infringement proceedings till a decision is provided by the IPAB. If such a stay is not granted, then there are chances that injunction is granted by the HC under [section 107](#) and at a later stage the patent is held invalid by the IPAB. A probable solution to this situation is that the court needs to stay the patent infringement suit until there is a final disposal of rectification proceedings by the Patent Office.



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**References:**

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