

Vifor (International) Ltd. & Anr vs Eris Lifesciences Limited & Ors on 18 September, 2023

Author: Amit Bansal

Bench: Amit Bansal

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* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ CS(COMM) 505/2022 & I.A. 11678/2022(0-XI Court Act), I.A. 12274/2022(u/s 10 r/w s

VIFOR (INTERNATIONAL) LTD. & ANR.

Through: Mr.Dayan Krishnan
with Mr.Pravin An
Mittal, Mr.Siddha
Mr.Hersh Desai, A

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ERIS LIFESCIENCES LIMITED & ORS.

Through: Ms.Vrinda Pa
Vithayathil and
Advocates for D-
Mr.C.M. Lall, Se
Ms. Rajeshwari H
Mr. Kunal Vajani
Mr.Shubhang Tand
Khare, Advocates

+ CS(COMM) 194/2023 & I.A. 6408/2023 (0-XI

VIFOR (INTERNATIONAL) LTD. & ANR.

Through: Mr.Dayan Krishnan
with Mr.Pravin An
Mittal, Mr.Siddha
Mr.Hersh Desai, A

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MACLEODS PHARMACEUTICALS LTD. ..

Through: Mr.G.Nataraj with M
and Ms.Varsha Jhava

CS(COMM) 505/2022 and connected

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+ CS(COMM) 198/2023 & I.A. 6493/2023 (O-XI
8654/2023 (delay of 1 day in filing rejo

VIFOR (INTERNATIONAL) LTD. & ANR.
Through: Mr.Dayan Krishnan
with Mr.Pravin An
Mittal, Mr.Siddha
Mr.Hersh Desai, A

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BIOKINDLE LIFESCIENCES PRIVATE LIMITED..
Through: Ms. Rajeshwari H.
Advocates.

+ CS(COMM) 241/2023 & I.A. 7809/2023 (O-XI
10341/2023 (O-XI R-2) and I.A. 17695/202
01.08.2023)

VIFOR (INTERNATIONAL) LTD & ANR.
Through: Mr.Dayan Krishnan
with Mr.Pravin An
Mittal, Mr.Siddha
Mr.Hersh Desai, A

ve

J.B. CHEMICALS AND
PHARMACEUTICALS LIMITED
Through: Mr.G.Nataraj wit
and Ms.Varsha Jh

+ CS(COMM) 242/2023 & I.A. 7817/2023 (O-XI

VIFOR (INTERNATIONAL) AG & ANR.
Through: Mr.Dayan Krishnan
with Mr.Pravin An
Mittal, Mr.Siddha
Mr.Hersh Desai, A

CS(COMM) 505/2022 and connected

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CS(COMM) 248/2023 & I.A. 8988/2023 (O-VI)
VIRDEV INTERMEDIATS
PRIVATE LIMITED & ANR

Through: Mr.C.M. Lall, Sen
Ms. Rajeshwari H.
Mr. Kunal Vajani,
Mimani, Mr.
Mr.Shubhang
Mr.Sandeep Rai, A
ve

VIFOR (INTERNATIONAL) AG

Through: Mr.Dayan Krishnan
with Mr.Pravin An
Mittal, Mr.Siddha
Mr.Hersh Desai, A

CORAM:

HON'BLE MR. JUSTICE AMIT BANSAL

OR

% 18.09.2023 I.A. 15296/2023 (directions) in CS(COMM) 505/2022 I.A. 15295/2023 (directions) in CS(COMM) 194/2023 I.A. 15294/2023 (directions) in CS(COMM) 198/2023 I.A. 15293/2023 (directions) in CS(COMM) 241/2023 I.A. 15292/2023 (directions) in CS(COMM) 242/2023

1. The present applications have been filed on behalf of the plaintiffs This is a digitally signed order.

The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above. The Order is downloaded from the DHC Server on 20/09/2023 at 22:34:59 seeking interim directions on the basis of the interim order passed by the Division Bench on 10th August, 2023 in FAO(OS)(COMM)159/2023, FAO(OS)(COMM)160/2023 and FAO(OS)(COMM)161/2023.

2. In CS(COMM) 241/2023 and CS(COMM) 242/2023, this court vide judgment dated 1st May, 2023 passed a status quo order against the defendants. The aforesaid status quo order was passed taking into account the principles of balance of convenience as the defendants were yet to launch their products and the fact that the interim applications filed on behalf of the plaintiffs were being taken up for hearing on a day-to-day basis.

3. Subsequently, the assurance of the counsel for the defendants no.3, BDR Pharmaceuticals International Pvt. Ltd. and defendant no.4, Virdev Intermediates Pvt. Ltd., was recorded in the order dated 2nd May, 2023 passed in CS(COMM) 505/2022, wherein the said counsel assured the Court that the defendant no.3 would not appoint any dealers or third-party marketing agents in respect of the impugned product during the hearing of I.A. 11677/2022 filed under Order XXXIX Rules 1 & 2 of the Code of Civil Procedure, 1908 (CPC).

4. The matters were heard on several dates in May, 2023 before the commencement of the summer break of this Court. At the hearing on 1st June, 2023, the counsel for the plaintiffs submitted that he would require further 90 minutes to conclude his submissions. Accordingly, the hearing was adjourned to 7th July, 2023 and the status quo order was continued.

5. On 24th July, 2023, a Coordinate Bench of this Court delivered a judgment in CS(COMM) 261/2021 titled Vifor International Ltd & Anr. v. MSN Laboratories Private Limited & Anr., 2023:DHC:5122, and This is a digitally signed order.

The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above. The Order is downloaded from the DHC Server on 20/09/2023 at 22:34:59 connected matters involving the same patent i.e., IN 221536 titled 'Water Soluble Iron Carbohydrate Complex and A Process For Producing Water Soluble Iron Carbohydrate Complex', which is also the subject matter of the present suits. Vide aforesaid judgment, the Coordinate Bench dismissed the applications for interim injunction filed on behalf of the plaintiffs herein.

6. Since the hearing in all the interim applications in the suits were yet to be concluded, following the judgment in Vifor International (supra) dated 24th July, 2023 passed by the Coordinate Bench, this Court vide order dated 1st August, 2023 vacated the status quo orders passed in CS(COMM) 241/2023 and CS(COMM) 242/2023. Further, the defendants no. 3 and 4 in CS(COMM) 505/2022 were relieved of their undertakings as noted in the order dated 2nd May, 2023. The operative part of the said order is set out below:

"9. In view thereof, following the judgment of the Co- ordinate Bench in Vifor (supra), the status quo order passed in the present matters is vacated, subject to the condition that the defendants in CS(COMM) 24/2023 and CS(COMM) 242/2023 shall not follow the process described by the plaintiffs in the suit patent, i.e. IN 221536. Similarly, the defendants no.3 & 4 in CS(COMM) 505/2022 are also relieved of their undertaking as noted in the order dated 2nd May, 2023 subject to the condition that the said defendants shall not follow the process described by the plaintiffs in the suit patent, i.e. IN 221536. Needless to state that the defendants shall take all requisite statutory approvals before proceeding to launch their products in the market. In addition, the defendants shall maintain accounts of manufacture and sales of FCM and file the same on an affidavit on a half yearly basis in a sealed cover."

7. Subsequently, the Division Bench vide order dated 10th August, 2023 in appeals being FAO(OS)(COMM) 159/2023, FAO(OS)(COMM) This is a digitally signed order.

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8. On 16th August, 2023, the present applications were filed on behalf of the plaintiffs. The reliefs claimed in I.A. 15296/2023 are as under:

"(i) Restrain the Defendants No. 3 & 4 from manufacturing FCM until the final disposal of the interim injunction application, or until the expiry of the suit patent, whichever is earlier;

(ii) Direct the Defendants to deposit the entire amount of sales revenue earned through the sale of FCM in India with this Hon'ble Court to be released to the Plaintiffs in case it succeeds in the present suit;

9. In the remaining applications, the relief claimed is as under:

"Direct the Defendant to deposit the entire amount of sales revenue earned through the sale of FCM in India with this Hon'ble Court to be released to the Plaintiffs in case it succeeds in the present suit;"

10. While noting the submissions made on behalf of the counsel for the parties, notice was issued on the aforesaid applications. The order dated 1st August, 2023 and the order dated 16th August, 2023 issuing notice in the aforesaid applications was challenged by the plaintiffs by way of appeals. The aforesaid appeals were dismissed by the Division Bench vide order dated 29th August, 2023 with the following directions:

"6. In view of the above and since the learned Judge has merely issued notice on the applications which have been moved by the appellants here, we find no justification to entertain these appeals. The appeals shall consequently stand dismissed with liberty reserved to the appellants to approach This is a digitally signed order.

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7. The Court reserves the right of the appellants to question the validity of the order dated 01 August 2023 subject to the outcome of the decision that may be rendered on the applications which are pending before the learned Single Judge."

11. Taking note of the fact that the suit patent is to expire on 20th October, 2023, at the hearing on 14th September, 2023, the plaintiffs as well as the defendants were asked to take instructions with regard to a consensual interim arrangement that can be worked out between the parties.

12. Senior Counsel appearing on behalf of the defendant in CS COMM 242/2023 (Cipla) on instructions submits that the said defendant has disposed of entire stock of the impugned product

received by it after status quo order was vacated by this Court on 1st August, 2023. Without prejudice to the rights and contentions of the said defendant and without acknowledging in any manner the claims of the plaintiffs, it is submitted that the said defendant shall not procure any further supply of freshly manufactured batch of the impugned product till the date of expiry of the suit patent or till the decision is rendered by the Division Bench in the aforesaid appeals, whichever is earlier.

13. Senior counsel appearing on behalf of the defendants no.3 and 4 in CS(COMM) 505/2022 on instructions and without prejudice to the rights and contentions of the defendants and without acknowledging in any manner the claims of the plaintiffs, submits that the defendants no.3 and 4 shall not appoint any further dealers or third party marketing agents in respect of the impugned product till the date of expiry of the suit patent or till the decision This is a digitally signed order.

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14. The aforesaid statements are taken on record and the said defendants shall remain bound by the same.

15. As regards the defendant in CS COMM 241/2023 (J.B. Chemicals & Pharmaceuticals Ltd.), the statement of the counsel was noted in the judgment passed by this Court on 1st May, 2023 that the said defendant has already launched its product in India, though such statement was disputed on behalf of the plaintiffs. In view thereof, the status quo as existed on 1st May, 2023 shall continue to operate in respect of the said defendant till the date of expiry of the suit patent or till the decision is rendered by the Division Bench in the aforesaid appeals, whichever is earlier.

16. Counsel for the plaintiffs presses that the defendants should be directed to deposit the amounts collected from the sales of the impugned product made by the aforesaid defendants between 1st August, 2023 till 17th September, 2023. It is further submitted that since the status quo was vacated on 1st August, 2023 on the basis of the judgment passed by the Coordinate Bench, which was subsequently stayed by the Division Bench, the defendants were not entitled to make any sales after 1st August, 2023. Since the said defendants have made sales of the impugned product between 1st August, 2023 and 17th September, 2023, the amount of sales should be deposited in Court subject to the outcome of the decision in the interim applications.

17. Counsel for the defendants no.3 and 4 in CS(COMM) 505/2022 submits that the order of the Division Bench has not stayed the judgment as a whole and consciously, only paragraph 113 of the judgement in Vifor This is a digitally signed order.

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18. Counsel for defendant in CS(COMM) 241/2023 submits that the present applications filed under Section 151 of the CPC seeking deposit of sales amount in respect of the impugned product are not maintainable. It is further submitted that the stay order passed by the Division Bench shall not be applicable to the defendant in CS(COMM) 241/2023 as they have already launched the impugned product.

19. I have heard the counsels for the parties.

20. In view of the fact that the applications under Order XXXIX Rules 1 and 2 of the CPC for grant of interim injunction filed by the plaintiffs are still being heard by this Court, I am of the view that the reliefs sought by the plaintiffs for deposit of the entire sales amount by the defendants in Court cannot be granted at this stage. To pass such a direction, the Court would have to give a prima facie finding on the infringement of the suit patent by the defendants.

21. Further, the interest of the plaintiffs has been adequately protected vide order dated 1st August, 2023, wherein this Court had directed the defendants to maintain complete accounts of sales made by them in respect of the impugned product and file the same before the Court. The aforesaid direction is modified to the extent that the defendants shall file complete accounts of sales of the impugned product from all sources from the date of filing of the respective suits till the date of expiry of the suit patent. The aforesaid statements shall be supported by an affidavit and filed in a sealed cover within three weeks from the date of expiry of the suit patent.

22. The aforesaid applications in the above terms.

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23. Counsel for the parties submit that the Division Bench is hearing the appeals filed on behalf of the plaintiffs herein against the judgment of the Coordinate Bench dated 24th July, 2023 and substantial arguments in the appeal have been concluded. It is further submitted that the said appeals are next listed before the Division Bench on 22nd September, 2023.

24. In view thereof, list the present applications on 13th October, 2023.

AMIT BANSAL, J.

SEPTEMBER 18, 2023 rt This is a digitally signed order.

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