

Bristol Myers Squibb Holdings Ireland ... vs Natco Pharma on 23 January, 2020

Author: Rajiv Sahai Endlaw

Bench: Rajiv Sahai Endlaw

* IN THE HIGH COURT OF DELHI AT NEW DELHI

% Date of decision: 23rd January, 2020.

+ CS(COMM) 342/2019 & IA No.9768/2019 (of defendant u/S 10 CPC)

BRISTOL-MYERS SQUIBB HOLDINGS IRELAND
UNLIMITED COMPANY AND ORS Plaintiffs

Through: Mr. Amit Sibal, Sr. Adv. with Ms.
Archana Shankar, Ms. Tusha
Malhotra, Ms. Prachi Agarwal, Ms.
Ridhie Bajaj, Ms. Rashmi Punia and
Mr. Ambar Bhushan, Advs.

Versus

NATCO PHARMA Defendant
Through: Mr. Sai Deepak, Ms. Rajeshwari H.
and Mr. Tahir A.J., Advs.

CORAM:

HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

1. This judgment adjudicates IA No.9768/2019 of the defendant under Section 10 of the Code of Civil Procedure, 1908 (CPC) and the preliminary issue as under:

"(II) Whether the proceedings in the present suit are liable to be stayed under Section 10 of the CPC owing to the suit filed by the defendant against the plaintiffs in the Courts at Hyderabad? OPD"

framed in the suit on 7th November, 2019, when after hearing the counsels, orders were reserved.

2. The three plaintiffs, namely (i) Bristol-Myers Squibb Holdings Ireland Unlimited Company, (ii) Bristol-Myers Squibb India Private Ltd. and (iii) Pfizer Limited have instituted this suit against the sole defendant, CS(COMM) 342/2019 Page 1 of 32 for permanent injunction to restrain the defendant from infringing Indian Patent No.IN247381 (hereinafter referred to as „junior patent) having International Non-Proprietary Name „APIXABAN , granted to the plaintiff No.1 on 4th April, 2011, including by selling „APIGAT and for ancillary reliefs. The plaintiffs, in the plaint have disclosed (a) that the plaintiff No.1, on 11th November, 2010, was also granted Indian Patent No.IN243917

(hereinafter referred to as „senior patent) having International Non-Proprietary Name Nitrogen Containing Heterobicycles As Factor Xa Inhibitors; (b) that the said senior patent does not specifically disclose „APIXABAN , subject matter of the junior patent but is generically covered therein and therefore manufacture by the defendant of „APIXABAN constitutes infringement of the senior patent as well; and, (c) that the plaintiffs reserved their right to sue the defendant with respect to the senior patent.

3. The suit, instituted on 4th July, 2019, came up first before this Court on 5th July, 2019 when the counsel for the defendant appeared on caveat. The suit was entertained and summons thereof ordered to be issued.

4. It is inter alia the case of the defendant in its written statement, as also in the application under Section 10 of the CPC,:

(i) that the defendant filed a civil suit against the plaintiffs before the City Civil Court at Hyderabad praying for the following reliefs:

"a) Declaration holding that Apixaban is covered by written description of IN 243917 and is therefore in public domain and manufacture of Apixaban by a member of the public is justified.

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b) Permanent injunction restraining Patentee (Bristol Myers) from threatening and hampering the business of Natco with respect to Apixaban."

(ii) that the defendant also filed an application for interim relief in its suit at Hyderabad, to restrain the plaintiffs from threatening the defendant and from taking any legal action against the defendant in respect of the senior patent and the junior patent;

(iii) that the said suit filed by the defendant was heard by the City Civil Court at Hyderabad on 28th June, 2019, when summons thereof and notice of the application for interim relief therein were issued for 8th July, 2019;

(iv) that the plaintiffs were served with the said summons/notice on 1st July, 2019;

(v) that the plaintiffs, having full knowledge of the prior suit filed by the defendant in Hyderabad, immediately proceeded to file the present suit in this Court, to avoid the hearing before the City Civil Court, Hyderabad;

(vi) that the plaintiffs have entered appearance in the Hyderabad suit and filed application under Order VII Rule 11 of the CPC therein;

(vii) that at the heart of and critical to determination of issues in this suit as well as in the Hyderabad suit, are the contents and scope of disclosure of the senior patent and contents and scope of disclosure

and claims contained in the junior patent;

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(viii) that the reliefs sought by defendant in the Hyderabad suit require determination, whether the senior patent discloses „APIXABAN ;

(ix) that if the declaration sought by the defendant in Hyderabad suit is ordered, then any action of defendant of making and selling „APIXABAN would not be an infringement of the junior patent, subject matter of this suit;

(x) that the Hyderabad suit is the previously instituted suit and under the principles enshrined in Section 10 of the CPC, the present suit is liable to be stayed till such time as the proceedings in the Hyderabad suit are concluded;

(xi) that any interim relief granted in the present suit will have a direct bearing to the issue in the Hyderabad suit;

(xii) that the plaintiff No.1 in this suit is the defendant in the Hyderabad suit along with Bristol-Myers Squibb Company, USA; thus, the parties in the two suits are the same;

(xiii) that the matter in issue in the previously instituted Hyderabad suit is also a matter substantially in issue in this suit;

(xiv) that it is defendant s assertion in the Hyderabad suit that „APIXABAN is a product disclosed but not claimed in the senior patent and therefore „APIXABAN is in public domain and can be made and sold by any entity, irrespective of grant of or fear of hindrance through the junior patent;

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(xv) that both proceedings require interpretation of Law and determination of facts, even at the interim stage; the preliminary fact for determination is, whether the written description of the senior patent describes „APIXABAN and if yes, whether such description is sufficient and adequate to enable a person of skill in the art to manufacture the product;

(xvi) that the issues in the present suit are inextricably linked with and predicated upon the findings in the Hyderabad suit regarding the scope of disclosure in the senior patent and the freedom to make and sell „APIXABAN based on such disclosure;

(xvii) that the City Civil Court, Hyderabad is a Court of competent jurisdiction to grant the relief claimed therein; and,

(xviii) that the Hyderabad City Civil Court and this Court are Courts of concurrent jurisdiction within the meaning of Section 10 of the CPC.

5. The plaintiffs, in their replication, in this context, have pleaded (a) that the senior patent was granted with a Markush claim that encompasses trillions of compounds; (b) that the compound „APIXABAN is generically covered by virtue of the Markush claim in the senior patent; however there is no specific disclosure in the senior patent that is directed to or teaches the compound „APIXABAN ; (c) that a person skilled in the art would not at once envisage the compound „APIXABAN from the disclosure in the senior patent; (d) that the senior patent discloses trillions of compounds by way of Markush structure and does not specifically disclose „APIXABAN compound; (e) that the matter in issue in the Hyderabad suit and in this suit

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are not directly and substantially the same; (f) that the subject matter of the respective proceedings concern different patents; while the Hyderabad suit pertains to the senior patent, the present suit pertains to the junior patent; (g) that the proceedings in the Hyderabad suit are in the nature of declaratory relief of non-infringement of the senior patent and groundless threats qua the said patent, as provided under Sections 105 and 106 of the Patents Act, 1970; (h) that the proceedings in the present suit are in the nature of infringement action, to restrain the defendant from infringing the junior patent; (i) that the reliefs claimed in the two suits are also different; (j) that the plaintiff No.2 and the plaintiff No.3 are not parties to the Hyderabad suit; (k) that similarly Bristol-Myers Squibb Company, USA, defendant in the Hyderabad suit, is not a party in this suit; (l) that the Hyderabad suit has been filed under Section 105 of the Patents Act but without complying with the prerequisites thereof; (m) that under Section 105(3), the validity of a claim of the specification of a patent cannot be called into question in a suit under Section 105 of the Act and thus the defendant could not have sought the relief in respect of invalidity of the junior patent or the senior patent in Hyderabad suit; (n) that though the defendant has made a mention of the junior patent in the prayer in the interim application in the Hyderabad suit, the same pertains to groundless threats which is covered under Section 106 of the Patents Act; (o) that the prayer for groundless threats does not survive in view of the plaintiffs having sued the defendant for infringement of the junior patent before this Court; (p) that moreover the plaintiffs had not meted any threats to the defendant and institution of this suit does not constitute a groundless threat; and, (q) that the defendant, as the plaintiff in the Hyderabad suit, has in the application for interim relief filed therein

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expanded the scope to beyond that contained in the plaint in the Hyderabad suit.

6. At this stage it is apposite to describe the Hyderabad suit. The title of the plaint in the Hyderabad suit instituted by the defendant is as under:

"PLAINT SUBMITTED UNDER SECTION U/S 26 OF C.P.C.,
READ WITH RULE 1 OF ORDER VII, THEREOF, AS WELL

AS, UNDER SECTION 34 OF THE SPECIFIC RELIEF ACT,
1963 FOR DECLARATORY DECREE AS TO LEGAL RIGHT
TO MANUFACTURE CERTAIN COMPOUNDS DISCLOSED
BUT NOT COVERED WITHIN THE SCOPE OF THE CLAIMS
OF INDIAN PATENT NO.243917 AND NON-INFRINGEMENT
OF INDIAN PATENT NO.243917."

7. The defendant, as plaintiff in the Hyderabad suit, has pleaded (i) that the product with respect to which the defendant seeks a declaratory relief in terms of recognition of right to manufacture, use, sell and/or market, is known in the pharmaceutical industry under the International Non-Proprietary Name of „APIXABAN ; (ii) that as part of its due diligence, the defendant carried out a search for any patent or patent application relating to „APIXABAN and came across the junior patent wherein the plaintiff No.1 herein has claimed ownership as patentee over „APIXABAN ; (iii) that in the course of its search, the defendant also came across the senior patent which also belongs to the plaintiff No.1 herein; (iv) that the plaintiff No.1, in Form-27 filed in respect of the junior patent as well as in respect of the senior patent asserted that they cover and claim „APIXABAN ; (v) that the senior patent expires on 17th December, 2019 while the junior patent expires on 17th September, 2022; (vi) that the action of the plaintiff No.1 herein of filing such Form-27 with false information in respect of the senior patent is

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mala fide and intended to prevent any third party such as the defendant herein from carrying on legitimate business of manufacture and sale of products such as „APIXABAN ; (vii) that the senior patent, subject matter of the Hyderabad suit also has a US corresponding patent; (viii) that the senior patent does not claim or provide protection in respect of „APIXABAN ; as such any entity including the defendant is entitled to manufacture, use, sell, offer for sale „APIXABAN , since it is not covered in the claims of the senior patent; (ix) that the written description of the senior patent, but not the claims thereof, clearly and unambiguously disclose „APIXABAN , including method of preparation; as such the plaintiff No.1 herein, by its failure to expressly claim „APIXABAN in the claims of the senior patent, has surrendered to the public any right which it may have had over such product; therefore, any entity is legally entitled and justified in exploring the commercial possibility of manufacture and sale of „APIXABAN ; (x) that the plaintiff No.1 herein also admits through several actions that the senior patent does not claim „APIXABAN ; (xi) that the defendant herein had filed a revocation petition before the Intellectual Property Appellate Board (IPAB) with respect to unjustified grant of the junior patent and the said petition is pending since the year 2016; (xii) that the plaintiff No.1 herein, in its reply to the defendant s revocation petition in respect of the junior patent, while admitting that the senior patent does not claim „APIXABAN , claimed „APIXABAN to be encompassed within the broad „disclosure of the senior patent; (xiii) that such contradictory stand of the plaintiff No.1 gives rise to an apprehension that the plaintiff No.1 is seeking to somehow extend and secure monopoly through ever greening over „APIXABAN ; (xiv) that the Hyderabad suit was thus instituted by the defendant, seeking a declaratory

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relief under Section 34 of the Specific Relief Act. The cause of action paragraph in the plaint in the Hyderabad suit is as under:

"IV. CAUSE OF ACTION

The cause of action in respect of the present Suit first arose in 2017 when in response to the Plaintiff's revocation petition against Indian Patent 247381, the Defendants filed a counter affidavit asserting that IN'917 (the suit patent) does not anticipate or render Apixaban obvious or lacking in inventive step.

The cause of action again arose on or around March 31, 2019 when the Defendants despite the assertion on oath before a quasi-judicial body, viz., the IPAB, filed a Form 27 on IN243917 asserting that the Suit Patent claims and covers Apixaban. The cause of action is continuous and subsisting and will continue to subsist till such time as this Hon'ble Court is pleased to grant the declaratory relief that is prayed for herein."

8. In the Hyderabad suit, the defendant has claimed the following reliefs against the plaintiff No.1:

- "a) A decree of declaration holding that the Plaintiff is entitled to make, manufacture, use, sell, market, advertise, exercise, offer for sale the product Apixaban under any brand name being a product disclosed but not claimed in Indian Patent 243917 and therefore being a product in the public domain over which no patent protection exists;
- b) A decree of permanent injunction restraining the Defendant and its principal officers, directors, agents, family members, servants, dealers, distributors, affiliates, sister concerns and/or anyone acting for and on their behalf from threatening and hampering the business of the Plaintiff in any manner whatsoever, either by contacting the Plaintiff's dealers, distributors, customers, etc. or by making any misrepresentation about the

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Plaintiff's product and business or by taking any coercive action of any nature whether regulatory or legal against the Plaintiff with respect to the Suit Patent IN'243917;

- c) Any such further order(s) as this Hon'ble Court may deem fit and proper in the facts and circumstances of the present case."

9. At this stage it is apposite to set out herein below Section 10 of the CPC, which is as under:

"10. Stay of suit.--No Court shall proceed with the trial of any suit in which the matter in issue is also directly and substantially in issue in a previously instituted suit between the same parties, or between parties under whom they or any of them claim litigating under the same title where such suit is

pending in the same or any other Court in India having jurisdiction to grant the relief claimed, or in any Court beyond the limits of India established or continued by the Central Government and having like jurisdiction, or before the Supreme Court"

and Section 34 of the Specific Relief Act, 1963, which is as under:

"34. Discretion of court as to declaration of status or right.-- Any person entitled to any legal character, or to any right as to any property, may institute a suit against any person denying, or interested to deny, his title to such character or right, and the court may in its discretion make therein a declaration that he is so entitled, and the plaintiff need not in such suit ask for any further relief:

Provided that no court shall make any such declaration where the plaintiff, being able to seek further relief than a mere declaration of title, omits to do so."

and Sections 105 & 106 of the Patents Act, 1970, which are as under:

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"105. Power of court to make declaration as to non-infringement.--(1) Notwithstanding anything contained in section 34 of the Specific Relief Act, 1963 (47 of 1963), any person may institute a suit for a declaration that the use by him of any process, or the making, use or sale of any article by him does not, or would not, constitute an infringement of a claim of a patent against the patentee or the holder of an exclusive licence under the patent, notwithstanding that no assertion to the contrary has been made by the patentee or the licensee, if it is shown--

(a) that the plaintiff has applied in writing to the patentee or exclusive licensee for a written acknowledgements to the effect of the declaration claimed and has furnished him with full particulars in writing of the process or article in question; and

(b) that the patentee or licensee has refused or neglected to give such an acknowledgement.

(2) The costs of all parties in a suit for a declaration brought by virtue of this section shall, unless for special reasons the court thinks fit to order otherwise, be paid by the plaintiff.

(3) The validity of a claim of the specification of a patent shall not be called in question in a suit for a declaration brought by virtue of this section, and accordingly the making or refusal of such a declaration in the case of a patent shall not be deemed to imply that the patent is valid or invalid.

(4) A suit for a declaration may be brought by virtue of this section at any time after the publication of grant of a patent, and references in this section to the patentee shall be construed accordingly.

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106. Power of court to grant relief in cases of groundless threats of infringement proceedings.--(1) Where any person (whether entitled to or interested in a patent or an application for patent or not) threatens any other person by circulars or advertisements or by communications, oral or in writing addressed to that or any other person, with proceedings for infringement of a patent, any person aggrieved thereby may bring a suit against him praying for the following reliefs, that is to say--

(a) a declaration to the effect that the threats are unjustifiable;

(b) an injunction against the continuance of the threats; and

(c) such damages, if any, as he has sustained thereby.

(2) Unless in such suit the defendant proves that the acts in respect of which the proceedings were threatened constitute or, if done, would constitute, an infringement of a patent or of rights arising from the publication of a complete specification in respect of a claim of the specification not shown by the plaintiff to be invalid the court may grant to the plaintiff all or any of the reliefs prayed for.

Explanation.--A mere notification of the existence of a patent does not constitute a threat of proceeding within the meaning of this section. "

10. The counsel for the defendant has referred to Chitivalasa Jute Mills Vs. Jaypee Rewa Cement (2004) 3 SCC 85, where the seller of goods had instituted a suit against buyer, in the Courts at Visakhapatnam, for recovery of price of goods supplied and not paid and the buyer had subsequently instituted a suit in the Court of Rewa, against a division of the seller, for

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recovery of excess payment made, as some of the goods supplied were found to be defective. The defendant in Rewa suit applied under Section 10 of the CPC and which application was rejected. Supreme Court held the order of dismissal of the application under Section 10 of the CPC to be erroneous and transferred the suit at Rewa to Visakhapatnam with further direction for consolidation of the two suits for the purposes of trial.

11. During the hearing on 7th November, 2019, it was enquired from the

counsel for the defendant, whether not a suit under Section 34 of the Specific Relief Act, as claimed to be filed by the defendant in the Courts at Hyderabad, admittedly prior to the institution of the present suit, is not maintainable owing to Section 105 of the Patents Act and more so when, while grant of relief under Section 34 of the Specific Relief Act is discretionary, grant of relief under Section 105 of the Patents Act is mandatory.

12. The counsel for the defendant contended, (i) that Section 105 of the Patents Act commences with a non-obstante clause i.e. "notwithstanding anything contained in Section 34 of the Specific Relief Act"; thus the same does not bar a suit under Section 34 of the Specific Relief Act; (ii) that the previously instituted Hyderabad suit is not a suit under Section 105 of the Patents Act but is a suit under Section 34 of the Specific Relief Act; the defendant herein, as plaintiff therein has not sought declaration that use by it of any process or the making by it of any article does not constitute infringement of the junior patent, for infringement whereof the present suit is filed, but has claimed the relief of declaration that the defendant is entitled to make, manufacture, use, sell, market, advertise the product „APIXABAN

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under any brand name, being a product disclosed but not claimed in the senior patent; (iii) that thus the relief claimed in the previously instituted Hyderabad suit is not of non-infringement of the junior patent, subject matter of the present suit, but of entitlement to make, in view of the senior patent, which lapses on 17th December, 2019; (iv) that Section 105 of the Patents Act would have been applicable, had the Hyderabad suit filed by the defendant been with respect to junior patent; (v) that though the patents subject matter of the two suits are different but the findings returned in the previously instituted Hyderabad suit, in the light of issues as framed above in this suit, would negate the claim of the plaintiffs of infringement in the present suit; (vi) that the relief claimed in the Hyderabad suit is in effect under Section 106 of the Patents Act; and, (vii) that it is not as if the Court at Hyderabad where the previously instituted suit is pending, does not have jurisdiction; jurisdiction of that Court for the relief of injunction has been claimed under Section 20 of the CPC.

13. I have considered the contentions of the counsel for the defendant.

14. I may at the outset observe that a reading of Section 106 titled "Power of court to grant relief in cases of groundless threats of infringement proceedings" of the Patents Act left me perplexed. The Trade Marks Act, 1999 in Section 142 titled "Groundless threats of legal proceedings" and the Copyright Act, 1957 in Section 60 titled "Remedy in the case of groundless threat of legal proceedings" also contain remedy against groundless threats of infringement. However Section 142(2) of the Trade Marks Act provides that the remedy against the groundless threats does not apply if the registered proprietor of the trade mark, with due diligence commences and prosecutes an action against the person threatened, for infringement of trade

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mark and Section 60 of the Copyright Act in the proviso thereto, similarly provides that the said Section would not apply if the person making such threats, with due diligence, commences and prosecutes an action for

infringement of a copyright claimed by him. It has been held in Chartered Institute of Taxation Vs. Institute of Chartered Tax Advisors of India Ltd. 2019 SCC OnLine Del 10037 and Super Cassette Industries Ltd. Vs. Bathla Cassettes India (P) Ltd. (1993) 50 DLT 7; Metro Tyres Ltd. Vs. The Advertising Standards Council of India (2017) 240 DLT 119 that an action, even if commenced under Section 142 of the Trade Marks Act or under Section 60 of the Copyright Act, comes to an end on subsequent institution of a suit for infringement. However, Section 106 of the Patents Act does not contain any such provision. I have wondered the reason therefor. I have further wondered, whether in the absence of such a provision and applying Section 10 of the CPC, a suit for infringement of a patent, filed after the institution of a suit under Section 106 of the Patents Act, would necessarily have to await the decision of the suit under Section 106. Prima facie, there appears to be no justification for the legislature to so differentiate the provision for groundless threats, in Section 106 of the Patents Act from similar provisions in the Trade Marks Act and Copyright Act.

15. Prior to the Patents Act, 1970, the law relating to patents was governed by the Indian Patents and Designs Act, 1911 (hereinafter, the 1911 Act) which, vide Section 162 of the Patents Act, 1970, was repealed insofar as it related to patents. Section 36 titled "Remedy in case of groundless threats of legal proceedings" of the 1911 Act, while enabling a person to institute a suit to obtain an injunction against the continuance of threat of legal proceedings or liability in respect of an alleged infringement of patent,

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in proviso thereto provided that the said provision shall not apply if any action for infringement of the patent was commenced and prosecuted with due diligence. The same was thus at par with the provisions in the other statutes governing the intellectual property rights of Trade Mark and Copyright. However, while enacting the 1970 Act and providing Section 106 therein, the proviso as existed to the pari materia provision in the 1911 Act, was deleted. The only reason therefor which can be deciphered is that in the law relating to patents as prevalent in UK, though it was a defence in an action against groundless threats, for the person making such threats, to bring and prosecute proceedings for infringement with due diligence, but in 1932, finding those meting out such threats to be adopting a practice of defeating the action for groundless threats by filing a proceeding for infringement and on that basis having the action for groundless threats dismissed and thereafter not pursuing the action for infringement, the same was dropped from the UK law. The 1970 Act is based on the UK law as amended in 1932 and it appears that without considering, whether there was any such prevalent practice in India also to defeat actions for groundless threats or not, the proviso as existed to Section 36 of the 1911 Act was not included in Section 106 of the 1970 Act. It is not necessary that the practice that was prevalent in UK and which practice led to the change in law there, would be prevalent in India also. Thus, though in the 1970 Act, the proviso to Section 36 as existed under the 1911 Act was dropped, but the same was done apparently without any reason.

16. However, answering the aforesaid question is not essential for the purposes of adjudication of the preliminary issue herein and the application of the defendant under Section 10 of the CPC. I say so because neither does

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the Hyderabad suit invoke Sections 105 or 106 nor does the counsel for the defendant claim so. Rather it is expressly stated that the Hyderabad suit is not a suit under Section 105 or under Section 106 of the Patents Act.

17. The reasons why no merit is found in the claim of the defendant for stay of proceedings in the present suit under Section 10 of the CPC and owing whereto, the need to call upon the senior counsel for the plaintiffs to argue thereon did not arise, are:

- A. For Section 10 of CPC to apply, it is essential that the Court in which the first suit is pending must be competent to grant the relief claimed in that suit and also the relief claimed in the subsequent suit. Reference in this regard may be made to Sagar Shamsher Jang Bahadur Rana Vs. Union of India 1978 SCC OnLine Del 222, T.L. Arora Vs. Ganga Ram Agarwal (1987) 31 DLT 210, Kulsum Bibi Vs. Muhammad Ismail 1925 SCC OnLine All 143 (DB), Somasundaram Chettiar Vs. A. Venkata Subbayya 1938 SCC OnLine Mad 32, Minocher Bokramji Damania Vs. Hema N. Dadachanji AIR 1982 Bom 151, Mirta Lina Pr. Ltd. Vs. The Finlay Mills Ltd. AIR 1982 Cal 41, Krishna Bihari Mishra Vs. Additional District & Sessions Judge 2013 SCC OnLine All 13728. For the Hyderabad Court before which the suit filed by the defendant is pending to be competent to grant the relief claimed in this suit, there has to be a properly constituted suit before it. It cannot be forgotten that the object of Section 10 CPC is to prevent Courts of concurrent jurisdiction from simultaneously trying two parallel suits in respect of the same matter in issue. Section 10

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enacts merely a rule of procedure and a decree passed in contravention thereof is not a nullity. It is not for a litigant to dictate to the Court as to how the proceedings should be conducted. It is for the Court to decide what will be the best course to be adopted for expeditious disposal of the case. (See Pukhraj D. Jain Vs. G. Gopalakrishna (2004) 7 SCC 251).

- B. This Court, in Telecommunications Consultants India Ltd. Vs. TCIL Bellsouth Ltd. 2006 SCC OnLine Del 1035, dealing with rule of judicial comity, held that the said rule cannot apply where the first Court cannot decide questions involved in second litigation and afford complete relief. It was held that the rule must yield to the more important, vital and fundamental principle that a party must be granted justice and relief by Court competent to afford adequate and complete relief. I have in Cadbury UK Limited Vs. Lotte India Corporation Ltd. 2019 SCC OnLine Del 9810 held that Section 10 CPC cannot be applied pedantically, in all situations, even when application thereof would result in miscarriage of justice. It is the plea of the plaintiffs that the defendant instituted the Hyderabad suit merely to preempt this suit. If it were to be found that the institution of Hyderabad suit is in abuse of process of law and Courts, in my opinion this Court ought not to lend its shoulder to such a litigant and this Court ought not to stay the suit of the plaintiffs. I find a Division Bench of the High Court of Gauhati

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120 to have held that Section 10 CPC would have no application when a suit is instituted, which constitutes abuse of the process of Court i.e. to forestall a suit which is filed subsequently.

- C. Thus though not seized of the previously instituted suit before the Hyderabad Court, the defendant having invoked Section 10 of the CPC, I have to necessarily go into the broad framework of the Hyderabad suit.
- D. The relief claimed in the suit pending before the Hyderabad Court is of declaration under Section 34 of the Specific Relief Act to the effect that the defendant is entitled to manufacture and market APIXABAN because the plaintiff no. 1 herein, though having disclosed the same in the senior patent, having not claimed patent in it. In my opinion, no such relief can be claimed from any Court under Section 34 of the Act.
- E. The Patents Act is the sole repository of law relating to patents. There is no inherent or common law right with respect to patent, as exists with respect to trade marks. Just like the Patents Act is an Act to amend and consolidate the law relating to patents, the Copyright Act is also an Act to amend and consolidate the law relating to copyright and in respect thereof it has been held in Time Warner Entertainment Company LP Vs. RPG Netcom Globe (2007) 140 DLT 758, Entertainment Network (India) Ltd. Vs. Super Cassette Industries Ltd. (2008) 13 SCC 30, Krishika Lulla Vs. Shyam Vithalrao

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Devkatta (2016) 2 SCC 521, Navigators Logistics Ltd. Vs. Kashif Qureshi (2018) 254 DLT 307, Satish Kumar Vs. Khushboo Singh MANU/DE/3411/2019 that copyright is a statutory right and there is no common law right to copyright and no copyright outside the statute exists or can be claimed. The same has also been observed with regards to the Designs Act, 2000 in Crocs Inc. USA Vs. Aqualite India Ltd. 2019 SCC OnLine Del 7409 and Micolube India Ltd. Vs. Saurabh Industries (2013) 199 DLT 740 (FB). The same will be the position with respect to patents. Any rights relating to patents can be claimed only in accordance with the provisions of the Patents Act and not elsewhere.

- F. The Patents Act lays down the procedure for applying for a patent as also for opposing the grant of a patent, not only before the grant but also post-grant. The Patents Act also provides for an infringement action by a patentee and provides for the defendant to not only defend the claim for infringement by setting up invalidity of the patent but also permits a counter-claim for revocation of the patent to be made in a suit for

infringement.

- G. Sections 105 and 106 similarly confer right to apply to the Court for declaration of non-infringement and for relief against groundless threats of infringement proceedings.

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- H. The statute having provided as aforesaid, in my opinion, reliefs concerning patents, lie before the Court only in accordance with the provisions of the Act and not outside the Act.
- I. Vis-à-vis the Patents Act which as aforesaid is the sole repository of the law relating to patents and is a „special statute i.e. a statute with respect to a particular subject, the Specific Relief Act is a „general statute i.e. a law providing for grant of specific relief with respect to a variety of subjects, wherever reliefs provided thereunder may be sought. It is well settled that when a specific provision has been made with respect to a particular subject, the general provisions would have no application. In Gujarat State Co-operative Land Development Bank Ltd. Vs. P.R. Mankad (1979) 3 SCC 123, invoking the maxim generalia specialibus non derogant, it was held that the Bombay Industrial Relations Act, 1946 being a special law dealing with rights and obligations specially created by it as against the provisions of the Bombay Co-operative Societies Act, 1925 or the Gujarat Co-operative Societies Act, 1961, nothing in the general provisions could derogate from the special provisions and the Co-operative Societies Acts must yield to the special provisions in the Bombay Industrial Relations Act whenever a dispute clearly comes within the language of the latter Act. In Belsund Sugar Co. Ltd. Vs. State of Bihar (1999) 9 SCC 620 it was held that the entire provisions of Bihar Agricultural Produce Market Act, 1960,

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could not apply to transactions of purchase of sugarcane, as they were fully covered by the special provisions of the Bihar Sugarcane (Regulation of Supply and Purchase) Act, 1981; if both the Acts were treated to be simultaneously applying to cover sale and purchase of sugarcane, the possibility of clear conflict of decisions would arise; that the Market Act being a general Act covering all types of agricultural produce and sugarcane having been made the subject matter of a special enactment, the special Act would prevail over the general Act and would take sugarcane out of the sweep of Market Act. In P.S. Sathappan Vs. Andhra Bank Ltd. (2004) 11 SCC 672, CPC was held to be a general law vis-à-vis Letters Patent of the Madras High Court which it was held, will prevail.

- J. The Hyderabad suit claims the relief of declaration of non-infringement and permanent injunction to restrain plaintiffs from claiming the defendants to be in infringement, both under Sections 34 and 38 of the Specific Relief Act.
- K. It is not as if the Patents Act has not made any provision for grant of reliefs of non-infringement or with respect to a threat of infringement, which are the reliefs claimed in the suit filed in Hyderabad. Provision for the former in the Patents Act, has been made in Section 105. It was open for the defendant to institute a suit for declaration, that manufacture and sale by it of APIXABAN did not constitute an infringement of the patent claimed by the plaintiffs, as provided in Section 105. However,

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to invoke Section 105, the defendant was also to show that it had applied in writing to the plaintiffs for a written acknowledgment to the effect of the declaration claimed and had furnished to the defendant full particulars in writing of the process or article in question and that the plaintiffs had refused or neglected to give such a declaration to the defendant. As evident from pleadings, the defendant was unable to show so and obviously did not want to furnish to the plaintiffs full particulars of the process or article of manufacture and particulars of APIXABAN. It can safely be assumed that the defendant hesitated from doing so because if had done so, the need for the plaintiffs to prove infringement may have disappeared. The defendant, for this or any other reason, chose not to proceed under Section 105. The counsel for the defendant has expressly stated before this Court that the Hyderabad suit is not under Section 105.

- L. I may mention, that it is the contention of the counsel for the defendant and rightly so, that there was no equivalent of Section 105 in the 1911 Act and such a right was conferred for the first time in the 1970 Act. It is further the contention of the counsel for the defendant that there was no such provision in the UK Act, 1907 also and Section 105 was entered in the Indian Patent framework as a consequence of the recommendation of the Ayyangar Committee based on the UK Patents Act, 1949. Section 66 of the UK Patents Act, 1949

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permitted a Court to make a declaration that the use by any person of any process or the making or use or sale by any person of any article does not constitute an infringement. The counsel for the defendant has further contended that the working of Section 66 of the UK Act, 1949 raised a question, whether declaration of non-infringement could be obtained only thereunder or also under the common law empowering the Courts to grant a declaration. The counsel for the defendant has also fairly pointed out that there was no equivalent to the

Specific Relief Act, 1963 of India, in UK. It is further pointed out that thus while enacting UK Patents Act, 1977 providing for declaration of non-infringement, the words "Without prejudice to the court s jurisdiction to make a declaration or declarator apart from this section" were added. The counsel for the defendant has contended that the same were added to validate and recognize the inherent power of a Court under common law to make a declaration, besides under Section 66 of the UK Patents Act, 1949 or under Section 71 of the UK Patents Act, 1977 and for this reason the right of the Courts in India to make a declaration under the general law i.e. under Section 34 of the Specific Relief Act is also saved in Section 105 of the Patents Act, 1970.

- M. I am unable to agree. Our Legislature, when drafting the 1970 Act, according to the counsel for the defendant, was borrowing from Section 66 of the UK Patents Act, 1949. Section 66, again according to the counsel for the defendant, was held in

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UK to be the sole repository of grant of declaration of non-infringement. The saving clause in this respect, according to the counsel for the defendant also, was brought about in the UK Patents Act, 1977 and which was not before the Ayyangar Committee or before our Legislature while enacting the Patents Act, 1970. However our Legislature, while enacting Section 105, was / is deemed to be conscious of the statutory power to grant declaratory relief available under Section 34 of the Specific Relief Act, 1963. The Legislature thus chose to preface Section 105 with a non-obstante clause which by then also had come to have a definite connotation / legal meaning. I have recently in Travellers Exchange Corporation Limited Vs. Celebrities Management Private Limited 2019 SCC OnLine Del 6943, relying on the earlier judgments, held that (i) a non-obstante clause is used to preclude any interpretation contrary to the stated object or purpose; (ii) a non-obstante clause gives an overriding effect over anything contained in the relevant existing law which is inconsistent with the new enactment; and, (iii) when a non-obstante clause does not refer to any particular provision of the statute which it intends to override but refers to the provisions of the statute generally, it is not permissible to hold that it excludes the whole Act and stands alone by itself.

- N. Applying the aforesaid meaning of the non-obstante clause at the beginning of Section 105 and specifically referring to Section 34 of the Specific Relief Act, it necessarily has to follow that the same is intended to exclude the applicability of

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the said Section 34 to the grant of declaration of non-infringement.

- O. To hold that a declaration of non-infringement may be sought, either under Section 105 of the Patents Act or under Section 34 of the Specific Relief Act, is fraught with the possibility of conflict of decisions and avoidance of which as aforesaid, is the

avowed object of a special statute.

P. The contention of the counsel for the defendant, that because in UK, declaration of non-infringement can be sought under the common law and not necessarily under Section 71 of the UK Patents Act, 1977, it is permitted here also, cannot be accepted owing to the difference between "without prejudice to the Courts jurisdiction to make a declaration" and "notwithstanding anything contained in Section 34 of the Specific Relief Act..." and owing to the grant of relief of declaration having been codified in India.

Q. For a person to be entitled to a declaration of non-infringement under Section 105, conditions prescribed therein and as highlighted above have to be satisfied. The defendant however in the Hyderabad suit is seeking declaration of non-infringement, without satisfying the said conditions. A special provision having been made in the special statute for grant of a relief of a particular nature, in my view such relief under the general statute cannot be granted when sought without satisfying the said conditions. The same would amount to a Court acting contrary to the statute. I am of the view that the

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relief claimed by the defendant, of declaration of non-infringement, in the Hyderabad suit could have been claimed only in accordance with Section 105 and not otherwise, under the general provision of Section 34 of the Specific Relief Act or any other inherent power to grant the relief of declaration.

R. Even if the defendant felt threatened from the plaintiffs, with proceedings for infringement and wanted to injunct the plaintiffs from so meting out threats to the defendant, remedy therefor also was available under Section 106. However, again Section 106 provides such remedy only when the threats are by circulars or advertisements or by communications, oral or in writing, and which is again not the pleaded case of the defendant. No relief of permanent injunction also as sought by the defendant against the plaintiff no.1 in the Hyderabad suit, outside the domain of the Patents Act is available to the plaintiffs against the defendant. Neither under Section 106 nor under the Specific Relief Act, injunction in restraint of judicial proceedings can be granted. Section 41(a) & (b) of the Specific Relief Act expressly provide so.

S. I may in this regard notice that grant of declaration under Section 34 of the Specific Relief Act is discretionary and it has been held in, Manohar Lal Chatrath Vs. Municipal Corporation of Delhi (1999) 77 DLT 5, Spentex Industries Ltd. Vs. Dunavant SA 2009 SCC OnLine Del 1666 [Appeal preferred whereagainst was dismissed in Spentex Industries

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Ltd. Vs. Dunavant SA 2009 SCC OnLine Del 3447 (DB)],
Roshan Lal Gupta Vs. Parasram Holdings Pvt. Ltd. (2009)

157 DLT 712, P.K. Gupta Vs. Ansal Properties & Industries 2010 SCC OnLine Del 3538, Handicrafts & Handlooms Exports Corporation of India 2010 SCC OnLine Del 2099, Devinder Kumar Gupta Vs. Realogy Corporation 2011 SCC OnLine Del 3050 (DB), that discretion will not be exercised in favour of the plaintiff to grant injunction if any other efficacious remedy is available to the plaintiff. Moreover, the proviso to Section 34 also provides that such a declaration would not be granted if the plaintiff is able to seek further relief than a mere declaration and omits to do so. The reliefs under Sections 105 and 106 provided under the Patents Act would constitute such an efficacious and further relief within the meaning of proviso to Section 34 of the Act. Similarly, Section 41(h) of the Specific Relief Act bars the grant of injunction, as claimed in the Hyderabad suit, when equally efficacious relief can be obtained by any other usual mode of proceeding. The usual mode of proceeding for the grant of relief of injunction as claimed in the Hyderabad suit, is under Sections 105 and 106 of the Patents Act and which have not been invoked by the plaintiffs.

- T. There is yet another reason why in my opinion the Court in which the Hyderabad suit has been instituted, is not competent to grant the reliefs claimed therein as well.

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- U. Per sub-Section (3) of Section 105, the validity of a claim of the specification of a Patent shall not be called in question in a suit for declaration brought thereunder and making or refusal of such a declaration thereunder shall not be deemed to imply that the patent is valid or invalid. The defendant herein in its written statement in this suit, besides seeking dismissal of the suit of the plaintiffs, also seeks declaration that the junior patent is invalid in law in view of the senior patent. Section 104 of the Patents Act provides that a suit for declaration under Section 105 or for a relief under Section 106 or for infringement of a patent shall not be instituted in any court inferior to a District Court. The proviso thereto provides that where a counter-claim for revocation of the patent is made by the defendant, the suit along with the counter-claim shall be transferred to the High court for decision. Section 64(1) of the Patents Act provides for a claim for revocation of the patent to be made inter alia on the ground of invalidity of the patent including by prior disclosure. The relief claimed by the defendant in the Hyderabad suit, of declaration that it is entitled to manufacture APIXABAN owing to the plaintiffs having disclosed APIXABAN in the senior patent and having not claimed patent with respect thereto, is in reality a relief of invalidity of the junior patent of which the plaintiff was obviously in know at the time of instituting the Hyderabad suit.

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- V. The Patents Act permits a claim of invalidity of the patent to be made either before the Controller or in defence to a suit for infringement or in a Counter-Claim filed therein. Section 113 of the Patents Act requires a certificate of validity to be issued, on such claim being rejected and further provides consequences of such certificate. No certificate under Section 113 can be issued by the City Civil Court, Hyderabad and it is incompetent to go into question of validity of junior patent, in my opinion for this reason alone.
- W. It has been held in Ram Singh Vs. Gram Panchayat Mehal Kalan (1986) 4 SCC 364, Splendor Landbase Limited Vs. Mirage Infra Limited (2010) 169 DLT 126 (DB), Axis Bank Limited Vs. Madhav Prasad Aggarwal 2018 SCC OnLine Bom 3891 (DB) that the Court is not to be guided by the clever drafting of Advocates and is to see the substance of the claim and the relief claimed. The substance of the relief claimed by the defendant before the City Civil Court, Hyderabad is of declaration of invalidity of the junior patent and which relief, owing to the proviso to Section 104, is beyond the subject jurisdiction of the City Civil Court and can be granted only by the High Court. The Court is required to see through the clever drafting adopted and on doing the same it is found that the Hyderabad suit did not lie and is instituted in a Court which does not have jurisdiction to grant the relief claimed.

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- X. Once it is so, the Hyderabad Court is incompetent to adjudicate the relief claimed in this suit, of infringement of the junior patent.
- Y. It also follows that the Hyderabad suit is in abuse of the process of law and Court. I have already noticed above, that Section 10 is not mandatory and if the Court finds the same to have been invoked with ulterior motives, the Court is entitled to see through the game and grant the relief and dismiss the application.
- Z. Even otherwise, in view of the defence of the defendant before this Court of invalidity of the patent and which cannot be adjudicated in the Hyderabad suit, the suit before this Court is a complete suit which would adjudicate all the disputes and differences between the parties. Reference in this regard may be made to Pukhraj D. Jain supra, Telecommunications Consultants India Ltd. supra and Cadbury UK Ltd. supra. Section 10 is a rule of procedure and does not confer any substantive rights. The rule of procedure is in aid of avoiding multiplicity of litigations and if it were to be found that

entertaining a suit, though instituted earlier in point of time, would lead to multiplicity of litigations and the latter suit would be a composite adjudication of all disputes and differences between the parties, Section 10 can always be disregarded as its application cannot be contrary to its objective.

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18. Resultantly, the preliminary issue is decided and answered in favour of the plaintiffs and against the defendant and IA No.9768/2019 is dismissed.

RAJIV SAHAI ENDLAW, J.

JANUARY 23, 2020 „bs/pp