



2023 Overview – Patent Law in India

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INTRODUCTION

There were some interesting decisions on patent law in 2023 that are worth mentioning. In July of last year, the Delhi High Court decided that the Patent Act supersedes the Competition Act in matters of abuse of or anti-competitive practices in relation to patent rights. The courts of India were also called upon to decide on subject matter patentability on appeal from a patent office rejection, and in another case advised the office on the procedural requirement of giving reasons for every objection. In an unusual situation, the courts were also required to settle an issue relating to the confidentiality of trade secrets in a patent infringement case. Some key decisions in 2023 follows,

KEY CASES

A SUBJECT MATTER IS PATENTABLE IF THERE IS A SYNERGISTIC COMBINATION OR A WORKING INTERRELATION WHICH PRODUCES A NEW AND IMPROVED RESULT.

Biomoneta Research Pvt Ltd v. Controller General of Patents

Date of Judgment: 13/03/2023

This was an appeal filed against an order passed by the patent office rejecting a patent application of the Appellant for an “Air Decontamination Assembly”. The patent application was refused on the ground that it lacked inventive step as required under the Patents Act, 1970 (“Act”).

It was contended by the Appellant that the subject invention had several distinguishing features when compared to prior arts cited by the patent office. For instance, it was contended that the subject invention does not use air filters used by conventional air purifiers and that it uses low voltage instead of high voltage and that there is no discharge between the plates as they are parallel to each other. The Appellant also contended that the apparatus comprising the subject invention enhanced the microbicidal activity in air purifiers in an unpredictable manner, which has in turn led to surprising effects not disclosed in the art. The Appellant further highlighted the advantages of the subject invention and contended that since the subject invention uses a low electric field, power consumption is reduced; and that the subject invention has no maintenance issues.

The Court upheld the Appellant's contentions and directed the patent office to grant a patent for the subject invention. It was held that a subject matter is patentable if there is a synergistic combination or a working interrelation which produces a new and improved result. The Court relied on the EPO guidelines on combinations and held that if the claims consist of a combination of features, it is incorrect to argue that separate features taken by themselves are obvious and that therefore the whole subject matter claimed is obvious. The Court also placed reliance on the fact that the subject invention addressed various disadvantages in the prior art such as frequent changing of filters, high power consumption, lesser maintenance costs, etc.

THE CONFIDENTIALITY OF TRADE SECRETS IN A PATENT INFRINGEMENT DISPUTE MUST BE MAINTAINED

Pawan Kumar Goel vs Dr. Dhan Singh & Anr.

Date of Judgment: 15/03/2023

This was a patent infringement suit whereby the plaintiff sought a permanent injunction against the defendant for infringing the plaintiff's process patent. It was contended by the plaintiff that the defendant is using the plaintiff's patented process to manufacture the product "Alpha Yohimbine/ Rauwolscine HCL, and that the plaintiff's patented process is the only way to manufacture said product. The plaintiff relied on Section 104(A)(1)(b) of the Act to contend that in a process patent infringement action, where a defendant's product is identical and is likely to be made by the process under the process patent and where the same cannot be determined by reasonable efforts, it is the defendant's duty to demonstrate that the process used to manufacture its product is different from the process patent.

The defendant contended that the subject product was manufactured using the defendant's process which is unique and proprietary, prior to the date of filing of the plaintiff's process patent. The defendant further contended the suit was an attempt to extract their trade secrets. Citing Section 104A(2) of the Act, the Defendant contended that in discharge of their burden under Section 104A(1)(b) of the Act, that they cannot be forced to reveal their commercial secrets when such disclosure would be unreasonable. The defendant thereby requested the formation of a confidentiality club to inspect redacted documents disclosing their process.

In the interest of balancing the rights of both parties, the Court invoked its powers under the Delhi High Court Rules 2018 and ordered the formation of a confidentiality club to facilitate access to the defendant's commercially sensitive documents.

THE PATENT ACT, 1970 PREVAILS OVER THE COMPETITION ACT, 2002

Telefonaktiebolaget LM Ericsson v. Competition Commission of India

Date of Judgment: 13/07/2023

The Delhi High Court held that in case of an alleged abuse of dominance by a patentee when exercising its rights under a patent, the Act will prevail over the Competition Act, 2002. The Court held that it was always the intention of the

legislature for the Act to govern abuse of or anti-competitive practices in relation to patent rights, and that once the power of inquiry as regards anti-competitive behavior is vested on the Controller of Patents, the Competition Commission of India (“CCI”) does not have powers inquire into such matters. It was further held that since the Act is the special statute, it must prevail over the Competition Act on the issue of exercise of rights by a patentee under the Act.

CONDUCT OF THE PARTIES DURING LICENSE NEGOTIATIONS IS A KEY FACTOR WHILE ASSESSING WHETHER A POTENTIAL LICENSOR AND LICENSEE WERE A WILLING LICENSOR OR WILLING LICENSEE

Intex Technologies (India) Ltd v. Telefonaktiebolaget L M Ericsson

Date of Judgment: 29/03/2023

This was an appeal filed by Intex against an order of a single judge of the Delhi Court upholding the validity and essential nature of Ericsson’s 8 Standard Essential Patents (“SEP”) and holding Intex liable for prima facie infringement of Ericsson’s patents.

The Court held that Intex had admitted in proceedings before the CCI that Ericsson’s subject patents are essential and that the only way for Intex to comply with ETSI/3GPP GSM standards in India was to obtain a license from Ericsson. The Court also held that merely because Intex has filed a revocation petition against Ericsson’s subject SEPs, it cannot be presumed that Intex has raised a credible challenge against validity of said patents. It was held that the SEP regime incorporates mutual reciprocal obligations on both the SEP holder as well as the implementer (Intex in this case), and that the conduct of the parties during license negotiations is a key factor while assessing whether a potential licensor and licensee were a willing licensor or willing licensee. The Court further held that Intex has infringed Ericsson’s subject SEPs, and that the royalty sought by Ericsson is on Fair, Reasonable, and Non-Discriminatory (FRAND) terms, and therefore directed Intex to pay Ericsson the applicable royalty amount for past use of Ericsson’s subject SEPs.

DEFENDANT IN DISPUTE COULD NOT PROVE NON-INFRINGEMENT AS ALL ESSENTIAL FEATURES OF THE PATENT COULD BE MAPPED ON THE DEFENDANT’S PRODUCT

Strix Ltd. V. Maharaj Appliances Limited

Date of Judgment: 20/10/2023

In the present case, the plaintiff filed for a permanent injunction against the defendant restraining them against infringement of their patent, and for payment of damages. The defendant in turn filed a counterclaim challenging the validity of the plaintiff’s patent. The defendant also contended that the plaintiff’s patent was not worked in India.

The Court held that the plaintiff’s invention is novel and non-obvious over the prior art patents cited by the defendant. The Court observed that two of the prior art

patents submitted by the defendant have a priority date which is subsequent to the priority date of the plaintiff's patent application, and therefore the said prior art patents were held to not constitute valid prior art. The Court further distinguished the third prior art patent submitted by the defendant from the plaintiff's patent and held that although both inventions achieve the same result, the same is achieved using different mechanisms.

The Court further mapped all the essential features of the plaintiff's patent onto the features of the defendant's product and held the defendant's product to be infringing the plaintiff's patent. The Court directed the defendant to pay the plaintiff damages of INR 50 Lakhs and actual costs of INR 31,44,925.

EVERY ORDER OF THE CONTROLLER OF PATENTS REJECTING A PATENT APPLICATION SHALL PROVIDE REASONS AND DEAL SYSTEMATICALLY AND SEQUENTIALLY WITH EACH OBJECTION

Huhtamaki Oyj and Anr. v. Controller of Patents

Date of Judgment: 26/5/2023

This was an appeal filed against a non-speaking rejection order filed by the patent office. The Court held that every order of the Controller of Patents rejecting an application seeking grant of a patent, or accepting or rejecting any pre- or post grant opposition to such applications, shall be reasoned and speaking and shall deal systematically and sequentially with each objection that requires consideration whether contained in the First Examination Report or the hearing notice or in any pre- or post-grant opposition, and provide reasons as to why the objection is sustained or rejected.

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