

Scrapping of the IPAB and the road ahead

By CHADHA & CHADHA



Presented By:
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ABOUT THE FIRM

The Firm traces its history to **1967** and has evolved for **more than five decades** to become one of **India's most prominent IP Firms**.

Consistently recommended for patent prosecution by the *IAM Patent 1000* and for enforcement and litigation, as well as for trademarks prosecution and strategy by the *WTR 1000*.

Clients: Among the Fortune 500, Fortune Global 2000, FTSE 100, FTSE 250 and Forbes Global 2000 lists, including a client listed in **third position on Forbes' World's Most Valuable Brands** (patents), mid-sized corporations, academic institutions and research departments to spin-offs and start-ups.

The Firm stands for highest quality of work in all aspects of Intellectual Property, including **Patents, Trademarks, Copyrights, Designs, Plant Varieties, Emerging IP Rights, and Licensing**.



我が社オフィス -インド全土に展開



- ◆ インドに10オフィス
- ◆ 総勢社員数: 135
- ◆ 在籍プロフェッショナル数: 75



我が社の組織体制



インド国外のデスク



OUTLINE

- ❑ Intellectual Property Appellate Board (IPAB)
 - ❑ Reasons that led to the Scrapping
 - ❑ Public Interest Litigations against IPAB
 - ❑ Indicators: increasing pendency before IPAB

- ❑ 2021 Developments
 - ❑ Timeline
 - ❑ Intellectual Property Division (Delhi High Court)
 - ❑ Further Developments
 - ❑ Relevant Rules and Acts

- ❑ IPR Suits

- ❑ Patent Suit Rules, 2021

Intellectual Property Appellate Board (IPAB)

IPAB Background

- Initially set up for Trademark & Geographical Indication cases;
- In 2002 and 2005, **revocation and appeals in Patent** cases were also transferred to IPAB;
- Prior to IPAB, appeals and rectification petitions were heard by **High Courts of Madras, Calcutta, Delhi, Bombay and Gujarat.**

Concerns regarding the functioning of the IPAB

PILs FILED SUGGESTING THE SCRAPPING OF IPAB
(2011)

BEFORE HON'BLE
MADRAS HIGH COURT

1st petition filed by an
academician

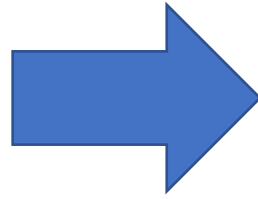
2nd petition filed by an
Association

IPAB Statistics (DIPP Annual Report 2009- 2010)

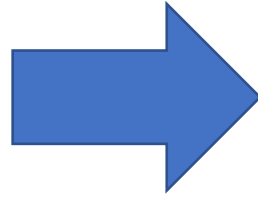
(As per the PIL filed)

Bench	Total patent cases filed/received	Total patent cases disposed
Chennai	65	16
Delhi	45	2
Mumbai	34	3
Kolkata	11	0
Total	155	21

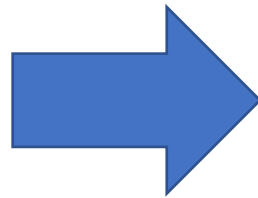
Issues raised in the PILs



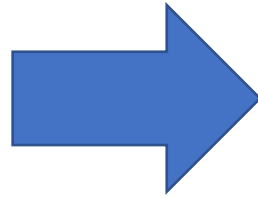
Low rate of case disposal



IPAB violates doctrine of separation of powers



Inefficient Administration



Irregular appointments of members

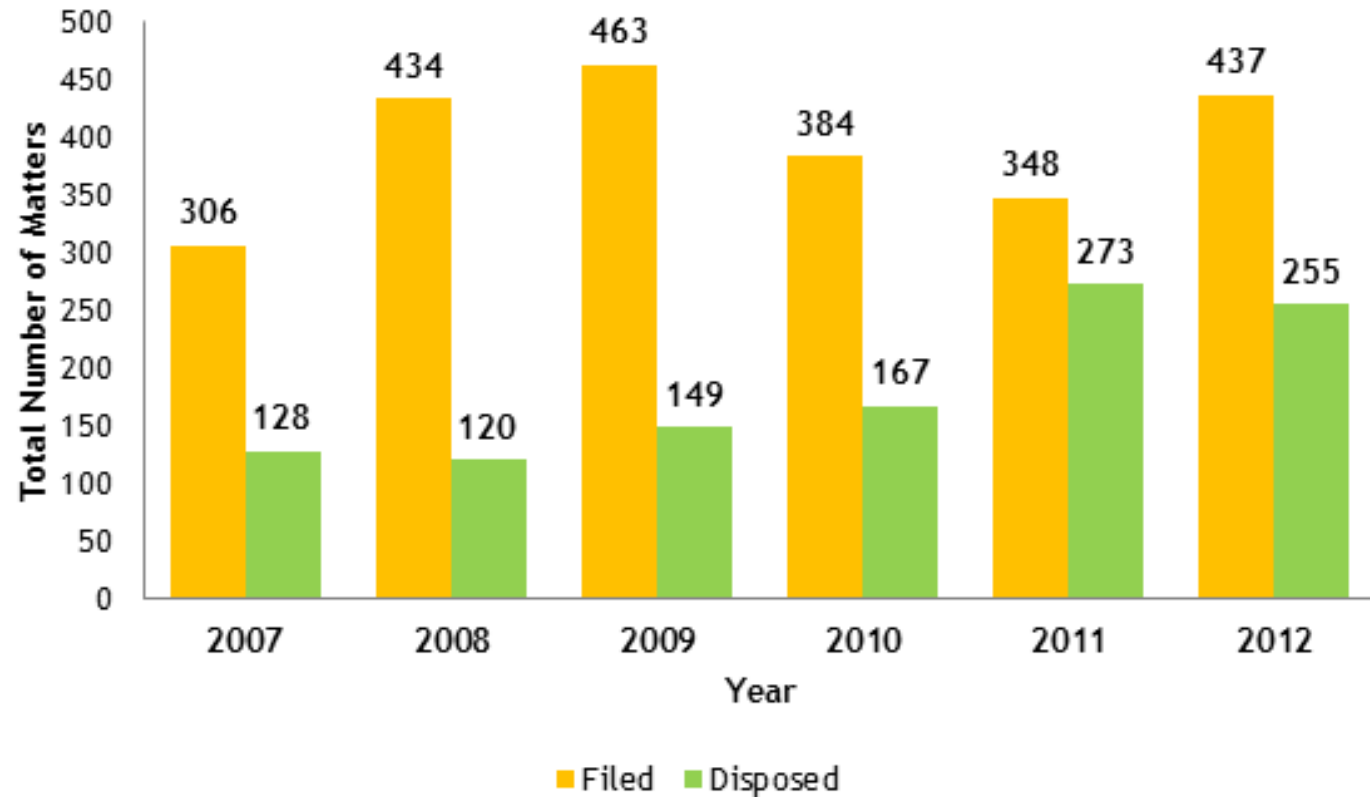
REASONS LISTED IN THE PILs

IPAB did not function on daily basis

Only 2 of its benches were fully functional in the last few years

IPAB was functioning with only 2 members in 2010

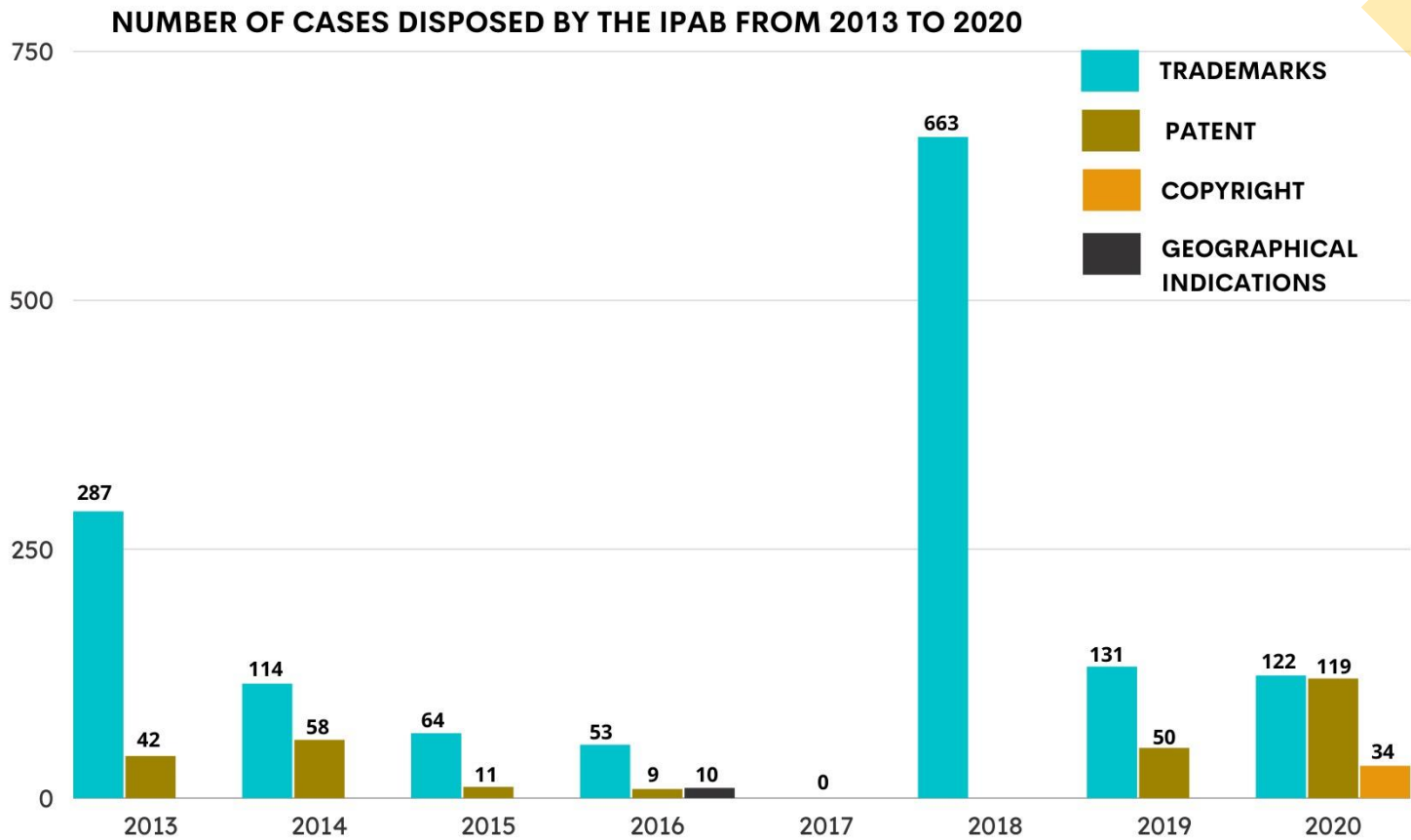
Cases filed before and disposed off by the IPAB during 2007 - 2012



Source:
[Response of IPAB dated October 11, 2012 to an RTI](#)

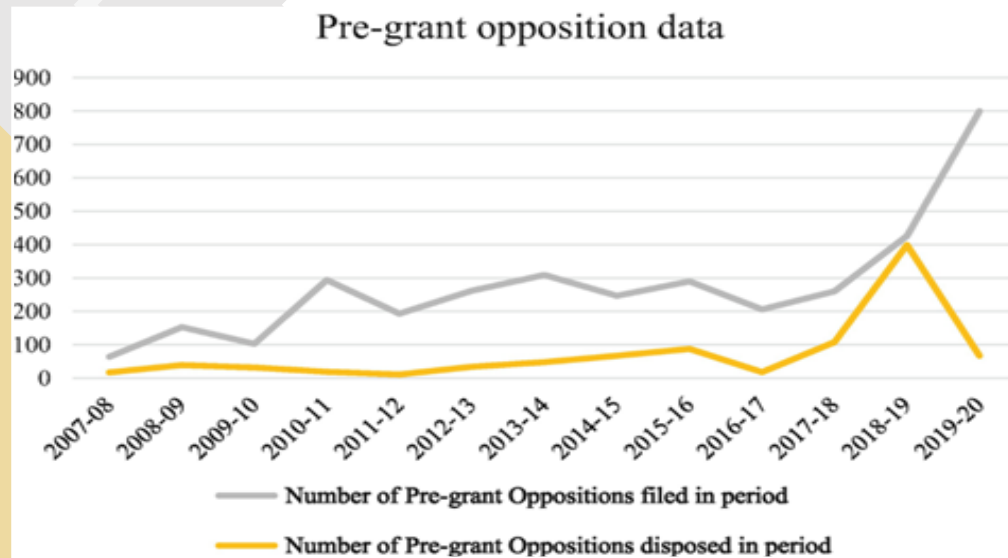


Cases disposed off by the IPAB during 2013 - 2020

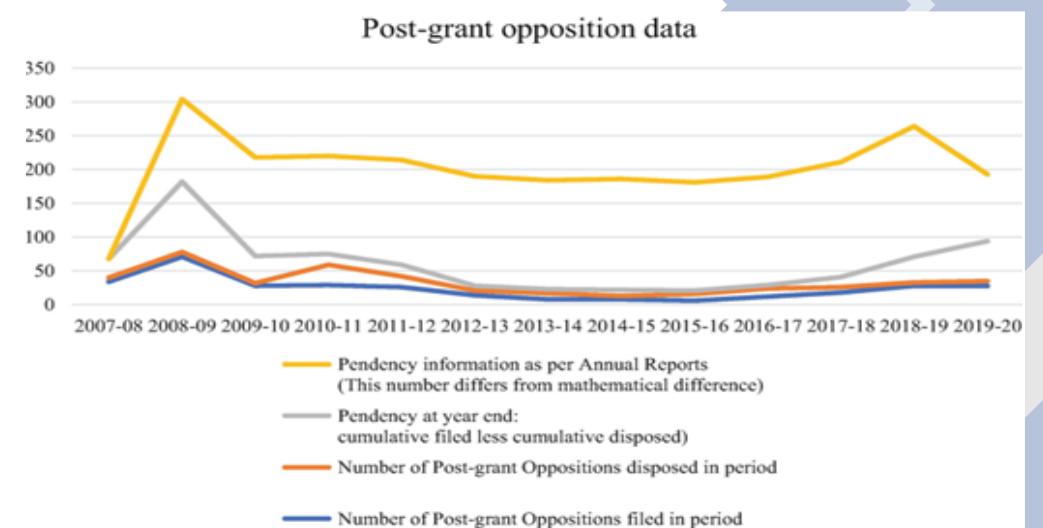


PILING UP OF MATTERS

An indicator of increase in revocation cases

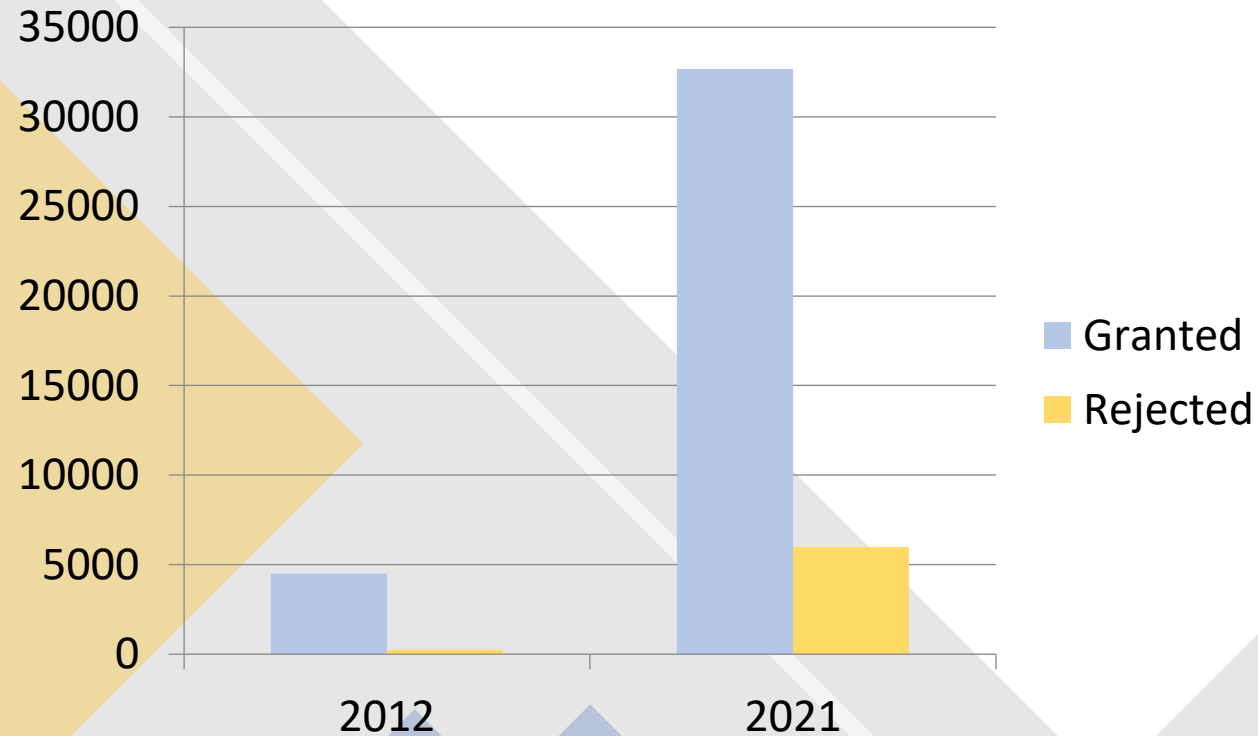


The data clearly shows a **spike** in the filing of **Pre-Grant Opposition** matters in the past 4 years leading to a high number of appeals before the **appellate courts**.



The data for Post-Grant Opposition shows a trend of **higher number of pending cases and lower disposal rate** consequently leading to a **higher number of appeals** before the **appellate courts**.

Increase in number of filings, grants & refusals



In the past 10 years, the number of filed patent applications has increased. Consequently, the number of granted as well as refused patent applications has increased exponentially.

Thereby, clearly indicating that a move to enrich IP litigation could not have come any sooner.

2021: DEVELOPMENTS

Tribunals Reforms (Rationalisation and Conditions of Service)

Ordinance, 2021

(eventually replaced with the Act)

FEBRUARY 13, 2021

Bill to scrap IPAB (among other Tribunals)
presented in the House of People
(eventually withdrawn)

APRIL 04, 2021

JULY 07, 2021

Creation of Intellectual Property Division of
the Delhi High Court

CREATION OF INTELLECTUAL PROPERTY DIVISION IN THE DELHI HIGH COURT

JULY 2021

- Established

~3000

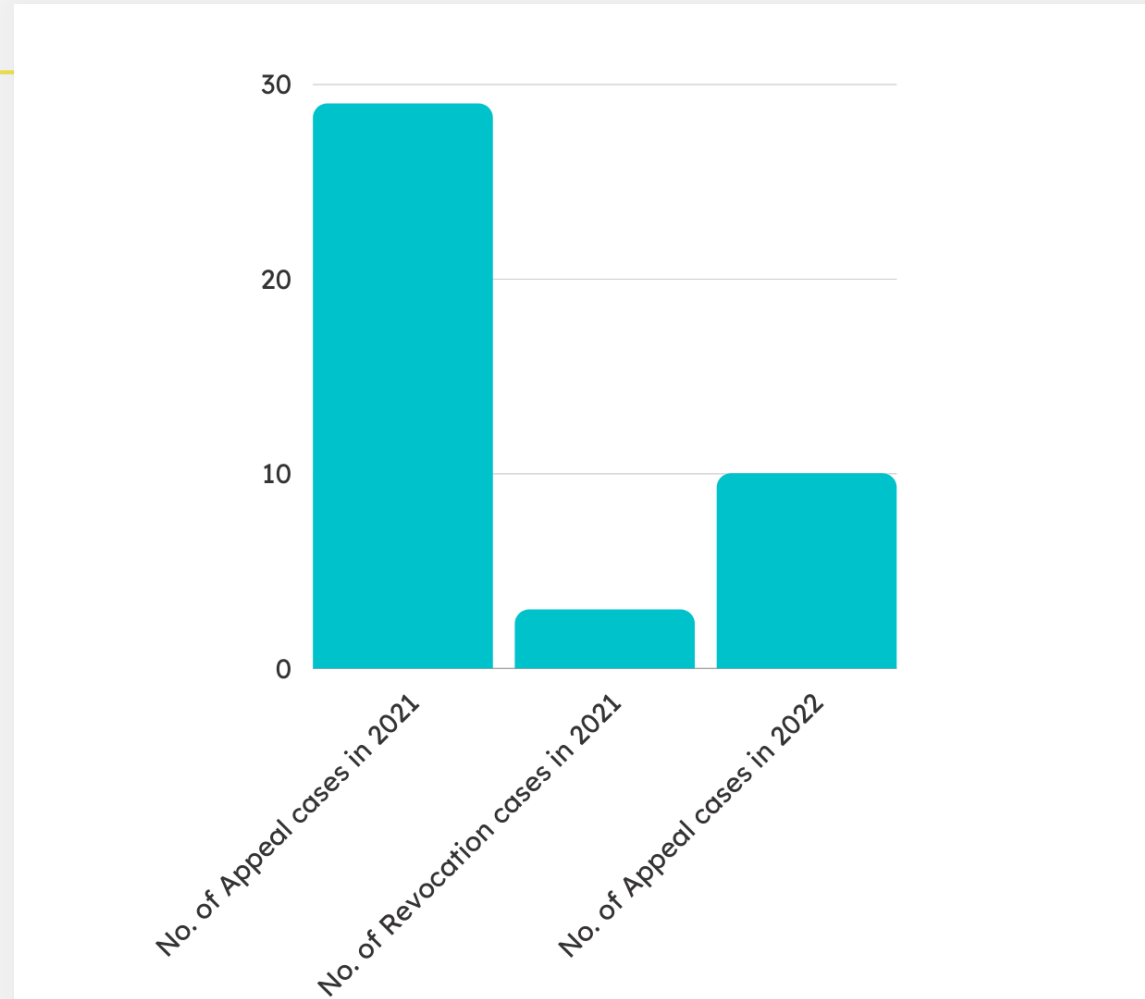
- Number of cases to be transferred from IPAB

Rules

- Intellectual Property Division Rules framed



PATENT APPEAL AND REVOCATION CASES FILED BEFORE DELHI HIGH COURT



- **IPR suits**
- **revocation** applications
- **cancellation** applications
- other **original proceedings, appeals** and **petitions** from the various IPOs
- all **other proceedings** which were **maintainable before** the **IPAB**
- **All suits** filed in which the subject matter is an IPR
- Other **petitions/ appeals** arising out of **IPR matters** and disputes dealt with by the **Commercial Courts** in Delhi (except matters that are to be dealt with by a Division Bench)

Matters to lie
before the
Intellectual
Property Division
(IPD) of the Delhi
High Court

RULES GOVERNING THE FUNCTIONING OF IPD

Intellectual Property Division Rules, 2021

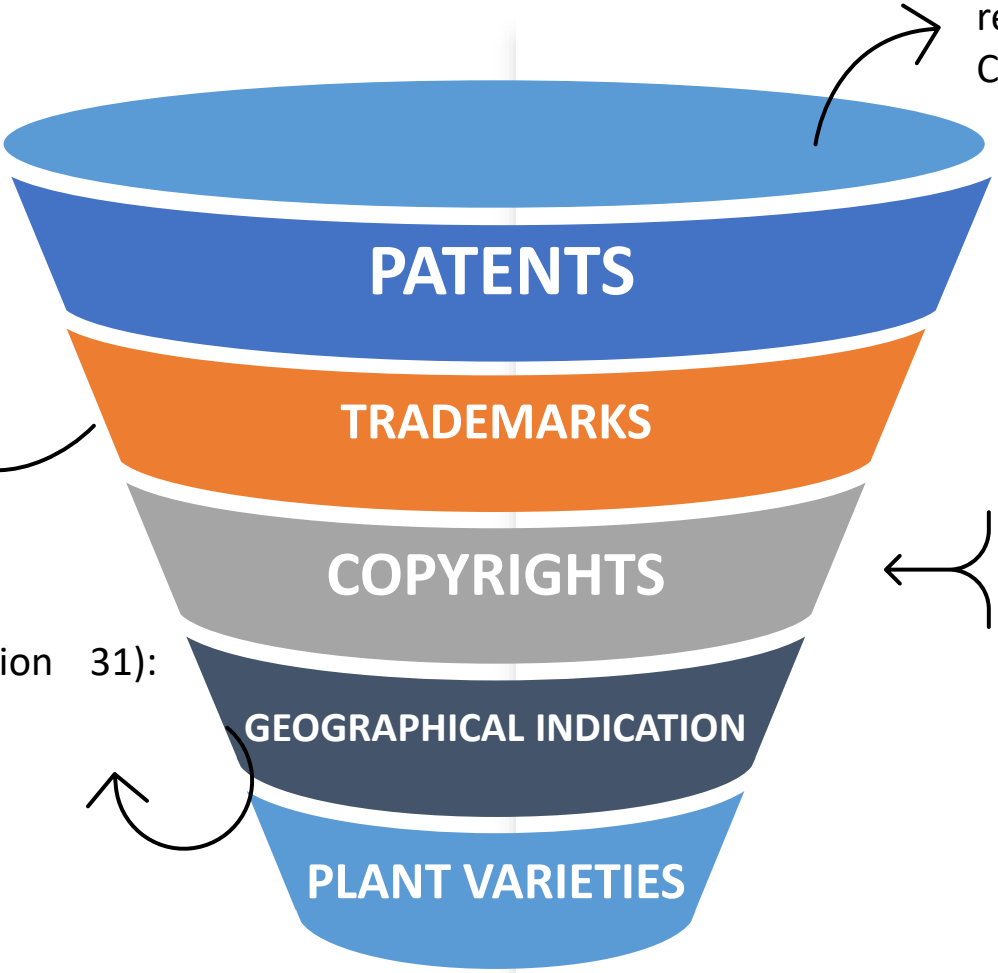
Delhi High Court (Original Side) Rules, 2018

Provisions of the Commercial Courts Act, 2015 for
Copyright matters

Provisions of the Civil Procedure Code as applicable to
commercial disputes

Patent Suit Rules, 2021

Appeal proceedings (Section 117A),
revocation petitions (Section 64) and
rectification proceedings (Section 71): High
Courts.



Appeal proceedings: High
Courts

➤ Appeal proceedings (Section 72) and
rectification proceedings (Section 50):
High Courts.

Appeal proceedings (Section 31):
High Courts.

➤ All other proceedings that were
earlier before the IPAB: Commercial
Courts.

Appeal proceedings (Section 56): High Court



2021: FURTHER DEVELOPMENTS



Tribunals Reforms (Rationalisation and Conditions of Service) Act, 2021

- The Act **replaced** the Ordinance of 2021
- The Act **scrapped** 5 tribunals including the IPAB
- The **rationale** for scrapping of the IPAB can be understood from this Act

Draft Intellectual Property Division Rules (Delhi High Court), 2021

The Draft Rules (yet to be finalized) impact:

- The **functioning** of the IPD of the Delhi High Court
- The matters to be **transferred** from the IPAB
- The **fresh matters** being filed/ to be filed before the Delhi High Court

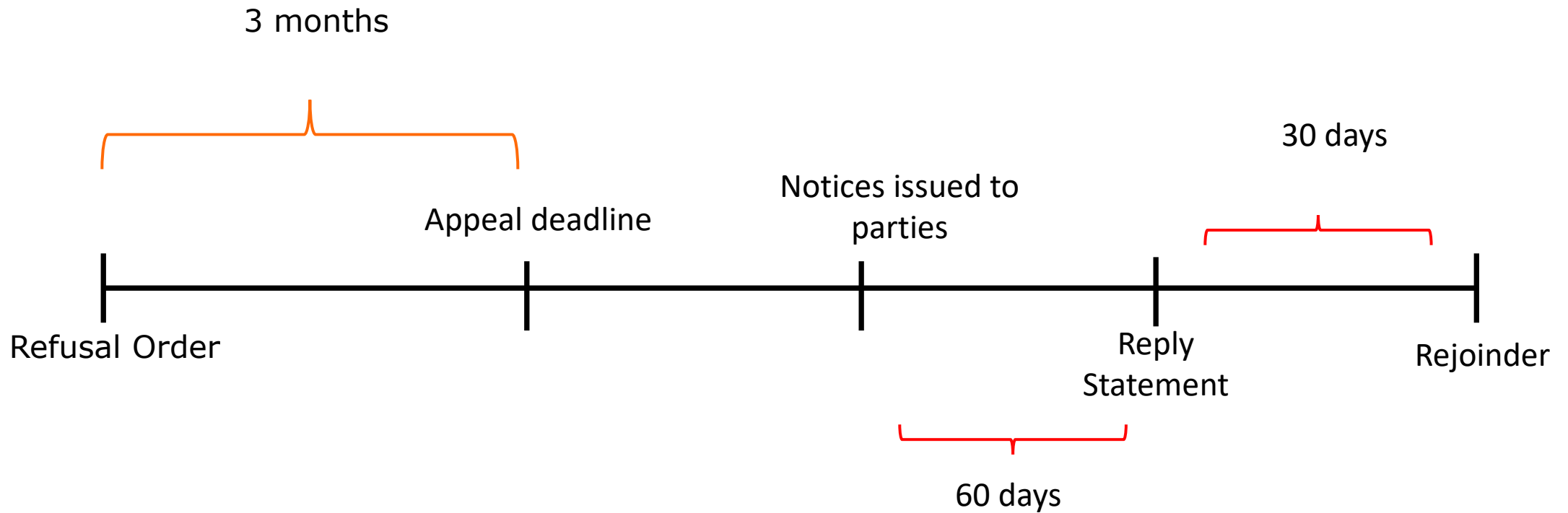
Draft Rules governing Patent Suits (Delhi High Court), 2021

The Draft Rules (yet to be finalized) impact:

- all **patent suits** in India which lie before the IPD of the Delhi High Court.
- in case of any **inconsistency** between the Delhi High Court (Original Side) Rules, 2018 and the Delhi High Court Intellectual Property Division Rules, then the **present rules will prevail**.

PATENT APPEAL PROCEDURE

(as per the Draft IPD Rules)



RULE 40: CONDONATION OF DELAY

In case of delay in filing of petitions, appeals or any other proceeding beyond the relevant limitation period, if any, the Court shall have the power to condone the delay on principles akin to Section 5 of the Limitation Act, 1963 provided that an application demonstrating sufficient cause to explain such delay is filed.

Section 5 of Limitations Act

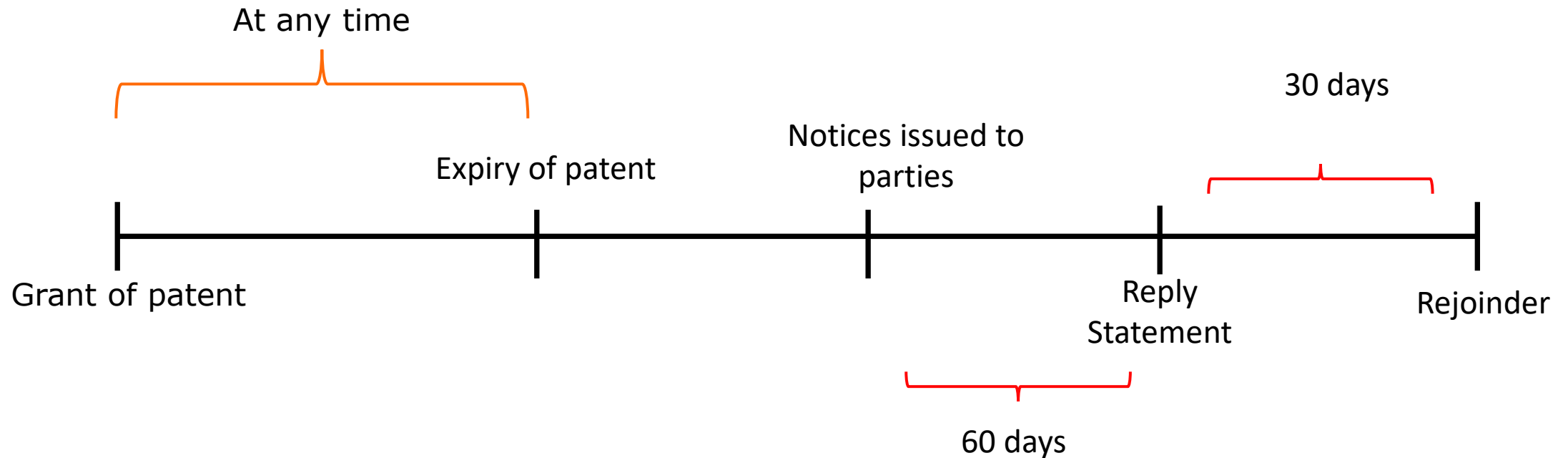
*“Any appeal or any application, ... may be admitted after the prescribed period, ...if the appellant or the **applicant satisfies the court that he had sufficient cause** for not preferring the appeal or making the application within such period”.*

ADDITIONAL EVIDENCE IN PATENT APPEAL PROCEDURE *(as per the Draft IPD Rules)*

- Documents that are **not part of the record of the IPO** shall generally **not be accepted by the IPD** except with the leave of the Court.
- Such documents shall be **accompanied with an application seeking leave of the Court**, in which case principles akin to Order XLI Rule 27 of Indian Code of Civil Procedure would apply

PATENT REVOCATION/ RECTIFICATION PROCEDURE

(as per the Draft IPD Rules)



ADDITIONAL EVIDENCE IN REVOCATION AND RECTIFICATION PETITIONS *(as per the Draft IPD Rules)*

- Filing of evidence - if the same is **deemed necessary** by the Court
- In the form of **affidavits**
- **Oral evidence** including cross-examination may be directed
- If oral evidence is directed, the procedure for recording of evidence and other related procedures shall be governed by the **Delhi High Court (Original Side) Rules, 2018.**

RULE 31: PANEL OF EXPERTS

The Court may seek assistance of **experts**.

The opinion of the expert shall be **persuasive in nature not binding** on the Court.

The IPD may maintain a **panel of experts** to assist the Court which panel may be **reviewed from time to time**.



Summary Adjudication in Patent Cases

May be considered when:

- (a) Where the remaining term of the patent is **5 years or less**;
- (b) A **certificate of validity** of the said patent has already been issued by any High Court or the Supreme Court;
- (c) If the Defendant is a **repeated infringer** of the same or related Patent;
- (d) If the **validity** of the Patent is **admitted** and only **infringement is denied**.

INTELLECTUAL PROPERTY DIVISION (IPD) OF THE HON'BLE DELHI HIGH COURT



Formed for **effective streamlining** of IPR cases



Committee formed by Hon'ble Chief Justice of Delhi High Court to conduct a streamlined **review** of the manner in which IPR cases should be handled



IPD would also be dealing with all **new appeal and revocation cases** in various IPR categories



Setting up of the IPD is in line with the **global best practice** of creating an **IP court/division**, such as in the **UK and Japan**

THE INTERNATIONAL TREND OF IP MATTERS BEFORE APPELLATE COURTS

JPO:

In the Japanese system, the appellate matters pertaining to the field of IP is dealt with by a 'special division' of High Courts known as the **IP High Courts**, established in April 2005.

USPTO:

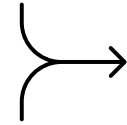
In the US IP system, **the Federal Circuit** deals with the appeals and revocation of IP matters. Having one of the most robust IP systems, 30% of the matters before the Federal Circuit relate to the field of IP.

KIPO:

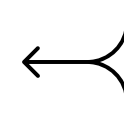
In the Korean IP system, the **Korean Patent Courts**, established in 1988, deals with suits against **appeals/trials** in IP matters. However, the same does **not** deal with **infringement suits**.

The Commercial
Courts Act, 2015

Patent Suit Rules,
2021



IPR Suits



Delhi High Court
(Original Side) Rules,
2018

Draft Intellectual Property
Division Rules (Delhi High
Court), 2021

Important Rules relating to patent suits

In case of petitions seeking **revocation/cancellation**, the Court may direct **consolidation** of the said petition with a suit for infringement involving the same IPR.

Prior to the initiation of proceedings, a party may issue a **Litigation Hold Notice (LHN)** to such other party(ies) against whom proceedings are sought to be initiated.

The **recipient** of such LHN shall **preserve** all documentary, tangible and electronic material relating to the subject matter of the proceedings which is capable of being relied upon as evidence

IMPORTANT RULES RELATED TO PATENT SUITS:



IMPORTANT RULES
RELATED TO PATENT
SUITS:

CONFIDENTIALITY
CLUB

- The Court may constitute a **confidentiality club** for the **preservation and exchange of confidential information** filed before the Court (including documents)
- The Court may, **upon a request** made by way of an application, direct the **redaction** of such information (including documents) it deems to be confidential.

IMPORTANT RULES RELATED TO PATENT SUITS

i. **Lost profits** suffered by the injured party

ii. **Profits** earned by the infringing party

iii. **Quantum of income** which the injured party may have earned through **royalties/license fees** had the use of the subject IPR been duly authorized

iv. The **duration of the infringement**

vi. **Conduct of the infringing party** to mitigate the damages being incurred by the injured party

Intervention by third parties

Intervention by the third parties may be permitted *suo moto* or on an application by any person.

Such person shall seek to intervene by means of an application stating the **nature of interest** before the Court.

The Court may **refuse or grant leave** after hearing all concerned parties/ **impose terms and conditions**.

OTHER KEY FEATURES OF IPD RULES

Accounts for the need of differently abled litigants
(Rule 36)

Recording expert testimony using Hot Tubbing or other such
procedures (Rule 16)

Agents registered as Patent Agent shall have the right to audience and
assist court along with legal practitioners or counsels (Rule 29)

Advance filing of submissions (Rule 33)

HOT-TUBBING (Rule 16)

Hot-tubbing is the method where the **experts of both parties simultaneously give their evidence where an arbitrator** is leading the discussion between them.

In order to **curb the inherent bias and to correct any misinformation provided by the opposing experts** that might be missed during a cross-examination, evidence of two opposing experts are taken **concurrently** in a 'hot-tubbing'.

The written statements and all other evidence has been concluded, expert(s) step in the witness box.

(Draft) HIGH COURT OF
DELHI RULES GOVERNING
PATENT SUITS, 2021



FEATURES OF HIGH COURT OF DELHI RULES GOVERNING PATENT SUITS, 2021

- Most of the rules are same as Draft IPD Rules
- Some key rules that are distinct from the IPD Rules are:
 - Mediation/ Early Neutral Evaluation (Rule 12)
 - Panel of Scientific Advisors (Rule 13)

RULE 12:

**MEDIATION/
EARLY
NEUTRAL
EVALUATION**

The court is **entitled to put the matter up for mediation** if it is of the opinion that the same ought to be pursued.

The **court need not take the consent** of the parties once the court forms the opinion that an amicable solution needs to be explored.

Similar is the case with **Early Neutral Evaluation (ENE)**.

RULE 13:

PANEL OF SCIENTIFIC ADVISORS

The Court shall draw up a **panel of Scientific Advisors** for the judges.

The court **may take suggestions** from the **parties** involved for appointing the said advisors.

The said panel shall be **distinct** from the panel of experts constituted under the IPD Rules.

Thank You

For any queries, please reach out:

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