$~4(original side)

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ I.A. 6729/2020 in CS(COMM) 229/2019 with I.As. 6384-6385, 9175, 11304, 15116/2019

NOVARTIS AG & ANR. ..... Plaintiffs

Through: Mr. Hemant Singh, Ms. Mamta Jha, Dr. Shilpa Arora, Mr.Ankit Arvind and Ms. Mamta Bhadu, Advs.

versus

NATCO PHARMA LIMITED ..... Defendant

Through: Mr. Parag P. Tripathi, Sr. Adv. with Ms. Rajeshwari H., Adv.

CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR

O R D E R

% 21.08.2020

(Video-conferencing)

I.A. 6729/2020 *(for stay)* in CS(COMM) 229/2019

1. By this application, the plaintiffs seek revival and restoration of the order dated 2nd May, 2019, passed by this Court in the present proceedings.

2. The issue in controversy is brief, and no detailed allusion to the facts and dispute on merits is required.

3. The plaintiffs and the defendant are litigating, on the issue of alleged infringement of the suit patent.

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4. On 2nd May, 2019, this Court issued summons in the present suit. On I.As.6384-6385/2019, by which interim reliefs were sought, this Court issued notice, directing listing of the said applications on 11th July, 2019 and further restrained the defendant, by way of interim relief, "from carrying out any fresh manufacturing of pharmaceutical preparations comprising of the active pharmaceutical ingredient (API) 'Ceritinib' till the next date".

5. On the next date of hearing, this order was continued.

6. When the matter came up before this Court on 20th August, 2019, this Court was apprised that, in the interregnum, the post-grant opposition, preferred by the defendant against the suit patent, had been allowed by the Controller of Patents, and that the suit patent stood revoked.

7. In view of the mandate of Sections 62(2) and 11A(7) of the Patents Act, 1970, wherein no infringement action is maintainable against a revoked patent, this Court, given the aforesaid facts, suspended the operation of its earlier order dated 2nd May, 2019, with liberty to the plaintiffs to seek appropriate orders, in case any orders were passed, in their favour, in the appeal, preferred by them, before the learned Intellectual Property Appellate Board (IPAB), against the revocation of the suit patent. Paras 8 and 9 of the order 20th August, 2019 merit reproduction, *in extenso*, thus:

> "8. The fact that no infringement action is maintainable in respect of an unregistered or revoked patent is further clear

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> from a reading of Section 62(2) and Section 1lA (7) of The Patents Act, 1970. Even if a patent is not renewed, no infringement action would lie. Similarly, once the patent is published, no infringement action can be filed till the patent is granted, though damages can be sought with effect from the date of publication. Thus, the continuation of an injunction, even for a day, would not be permissible once the patent is revoked. Considering the development, i.e., the passing of the order dated 16th August, 2019, revoking the patent, the interim order restraining the Defendant from carrying out any fresh manufacturing of pharmaceutical preparations comprising of the API 'Ceritinib', as directed vide order dated 2nd May, 2019, stands suspended.
>
> 9. The Plaintiffs are, however, granted liberty to seek appropriate orders if any orders are passed in favour of the, Plaintiffs by the IPAB, in the appeal preferred by them. Accordingly, I.A under Order XXXIX Rule 4 CPC is disposed of. I.A under Order VII Rule 11 CPC be listed on the next date."

8. *Vide* order dated 20th July, 2020, the learned IPAB has stayed the operation of the order dated 16th August, 2019, of the Controller of Patents, revoking the suit patent, till the decision on the appeal pending before it. That appeal continues to remain pending as on date.

9. This application has been preferred, by the plaintiffs, in view of the aforesaid order dated 20th July, 2020, of the learned IPAB, and in exercise of the liberty, granted to the plaintiffs *vide* para 9 of the order dated 20th August, 2019 *supra*.

10. Mr. Parag Tripathi, learned Senior Counsel appearing for the defendant sought to submit that the plaintiffs were guilty of suppression in the appeal preferred before the learned IPAB, regarding

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certain proceedings in the US, qua similar patents. He also drew my attention to various paragraphs of the order dated 20th July, 2020, passed by the learned IPAB, to contend that the finding, in para 33 of the said order was completely unjustified. It was also contended by Mr. Tripathi that the order dated 20th July, 2020 of the learned IPAB had effectively been passed without hearing any arguments on the part of the defendant, as it was reserved and the order was passed thereafter. He sought to submit that the order of the learned IPAB was *ex facie* unsustainable.

11. Mr. Tripathi also impressed, on this Court, the fact that, after the passing of the order dated 2nd May, 2019, the situation has altered significantly, and that, given the difference in price between the drugs manufactured by the plaintiffs and by the defendant, it was in public interest that the defendant be allowed to manufacture and sell its drug.

12. These, however, in my view, are not aspects which can impact the disposal of the present application, which essentially seeks revival of the order dated 2nd May, 2019 *supra*, passed by this Court. That order had been suspended, by the subsequent order dated 20th August, 2019, only because of the revocation, in the interregnum, of the suit patent, by the Controller of Patents, on 16th August, 2019. Even while so suspending the operation of the order dated 2nd May, 2019, it was specifically noted that, if the plaintiffs were to obtain favourable orders from the IPAB, they could approach this Court for appropriate directions. It is not in dispute that, by the order dated 20th July, 2020, the learned IPAB has stayed the operation of the order, dated 16th

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August, 2019, of the Controller of Patents, suspending the suit patent.

13. It is also relevant to note, in this context, that the order dated 20th July, 2020 of the learned IPAB, is under challenge, before this Court in WP (C) 5189/2020 , which is pending before a learned Single Judge of this Court. Mr. Tripathi has fairly acknowledged that there are no interim orders passed in the said case, interfering with the order of the learned IPAB, though the matter has been set down for disposal shortly hereafter.

14. In any event, in view of the order dated 20th July, 2020, there can be no reasonable ground to reject the prayer for revival of the order of *ad interim* relief, dated 2nd May, 2019, passed by this Court. The operation of the said order was merely eclipsed by the issuance of the order dated 16th August, 2019, of the Controller of Patents and, with the passing of the order dated 20th July, 2020 of the learned IPAB, that eclipse has now been removed. The original order, dated 2nd May, 2019 has, therefore necessarily to revive.

15. The submissions advanced by Mr. Tripathi, qua the order dated 20th July, 2020, and the validity thereof, would essentially have to be urged either in opposition to the prayer, of the present plaintiffs for interim relief, or while contesting the suit. They cannot constitute a legitimate basis to oppose the prayer in the present application, for revival of the order dated 2nd May, 2019.

16. Having said that, it is also a fact that the order dated 2nd May, 2019 was merely in the nature of an *ad interim* order, and that IA

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6386/2019, which had been preferred by the plaintiffs under Order XXXIX of the CPC, had been directed to be listed on 11th July, 2019, for hearing. Mr. Tripathi submits that pleadings in the said I.A. are complete.

17. In view thereof, and as the issue in controversy deals with a pharmaceutical patent, it would be in public interest that I.A. 6386/2019 is taken up and decided on an early date.

18. Accordingly, the present application is allowed. The order dated 2nd May, 2019, stands revived, and the *ad interim* relief granted, by the said order, restored.

19. List I.A. 6386/2019 for hearing and disposal on 7th September, 2020, at the end of the board subject to part-heard matters, if any.

20. Both parties are requested to file a short note of their respective submissions in this I.A., not exceeding four pages, at least 48 hours in advance of the next date of hearing, by way of email to the Court Master.

C. HARI SHANKAR, J.

AUGUST 21, 2020/*kr*

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