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5 November 2020

High Court of Delhi
Shershah Road, Justice SB Marg
New Delhi, Delhi 110503
India

Via Email: jr-rules.dhc@gov.in

Re: The High Court of Delhi Rules Governing Patent Suits, 2020

Dear Registrar General, High Court of Delhi:

The Intellectual Property Owners Association (IPO) appreciates the opportunity to respond to the request for comments on the draft entitled *The High Court of Delhi Rules Governing Patent Suits, 2020* (referred to herein as “Draft Rules” or “Draft”) published on 9 October 2020.

IPO is an international trade association representing companies and individuals in all industries and fields of technology who own, or are interested in, intellectual property rights. IPO’s membership includes 175 companies and close to 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members. IPO membership spans over 30 countries.

IPO advocates for effective and affordable IP ownership rights and offers a wide array of services, including supporting member interests relating to legislative and international issues; analyzing current IP issues; providing information and educational services; and disseminating information to the public on the importance of IP rights. We hope that our comments will be helpful to the process of making the Draft Rules final, as well as informing future developments in patent protection.

General Comments

IPO notes that damages are referenced throughout the Draft, including as part of Plaintiff’s pleadings and Defendant’s written statement. In this regard, we wish to respectfully emphasize that the objective of compensatory damages is to fully compensate the patent owner for their financial losses. It is therefore critical that the Draft provide greater guidance to the Plaintiff as to the evidence needed by the High Court when determining an appropriate amount to make the patent owner whole. Fully compensating the Plaintiff for losses incurred due to the infringement also serves as a deterrent against those who willfully infringe. Moreover, because compensation for willful infringement is based on the amount of compensatory damages, it is critical, especially for purposes of

further discouraging future infringement, that the amount of compensatory damages awarded fully compensate the patentee's loss.

1. Short Title and Commencement:

Paragraph (ii)

The Introduction and Background of the Draft refer to the power of the High Court under Section 158 of Patents Act (“*to make rules...as to the conduct and procedure in respect of all proceedings before it under the Act*”) and Section 129 of the Code of Civil Procedure (“*to make such rules...to regulate its own procedure in the exercise of its original civil jurisdiction...*”) with respect to formulation of these rules. Since the powers under the referenced provisions are limited to the rules applicable to the High Court, it appears that these rules are intended to be limited to the High Court (and Commercial Division of the High Court) only.

As the Patents Act permits (under Section 104) filing of patent infringement suits before a District Court (or Commercial Court at District level), it is recommended that the High Court also exercise the power under Section 122 of the Code of Civil Procedure to extend the application of these rules to the Commercial Court at District level (which has jurisdiction to adjudicate and conduct trial of a patent infringement suit, as long as there is no counter-claim of invalidity). Furthermore, as these rules are in addition to and an extension of the Commercial Courts Act, 2015 (as amended by the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts (Amendment Act), 2018), provisions of which are also applicable to Commercial Court at District level, there would be no conflict in the scope of the rules.

For these reasons, IPO requests that the Draft be clarified to recite that such rules shall also apply to District Courts and Commercial Courts at the District level.

2. Definitions

Paragraph (4) Invalidity brief:

The Draft sets forth 4 stipulations (i)-(iv) regarding the invalidity brief. IPO recommends adding an additional stipulation “(v)” regarding the invalidity brief, as set forth below:

(v) If a particular prior art that the defendant is relying on in the Invalidity Brief has already been cited and considered during the Examination of the patent application or during the pre-/post- grant opposition or any revocation proceeding in the past, then the same should be specified in the Invalidity brief along with the finding of the Controller/Board/Court with respect to the prior art.

Paragraph (9) Technical primer:

The Draft states that a technical primer be provided in either in text or PowerPoint presentation form. To provide additional flexibility in sharing this primer, IPO recommends that the High Court accept a technical primer provided via video presentation, pursuant to the following amendment of Paragraph (9):

*A document either in text form or a powerpoint presentation **or an audio/video form** which gives an introduction to the basic undisputed technology covering the patent(s) preferably in non-technical language.*

3. Content of Pleadings:

(1) Plaintiff:

Paragraph (iii)

The Draft requires that the Pleadings contain a brief description of any other patent applications filed, withdrawn, or pending related to or emanating from the suit patent or priority patent application. IPO submits that the Plaintiff/Patentee would have already provided such information/details to the Patent Office during the examination of the patent application. Also, if the Defendant believes that any such information is relevant to its defense, the Defendant can readily provide the information in its submission. For these reasons, IPO recommends that this information be voluntary (instead of mandatory) and that Paragraph (iii) be deleted.

Paragraph (iv)

According to the Draft, the Pleadings must contain a brief summary of the international corresponding applications/patent(s) and grants thereof. International corresponding patent applications/patents should not have bearing on disposition of the patent in suit in India. Moreover, this information would have already been provided to the Patent Office during examination of the patent application and would be accessible to the Defendant. Accordingly, IPO recommends that Paragraph (iv) be deleted.

Paragraph (vi)

The Draft requires that the Pleadings contain copies of the broadest and narrowest claims granted in any jurisdiction. IPO respectfully asserts that issues of infringement and/or validity should be ascertained with respect to the claims granted in India and in accordance with the laws of India, not those of other jurisdictions. Patents are granted based on national laws and jurisprudence, and the scope of claims granted in one jurisdiction may not necessarily be similar or relevant to the scope of claims granted in another jurisdiction. Therefore, it is unclear why this information would be relevant. Furthermore, because claims may be narrower in some elements and broader

in other elements, the scope and breadth of claims are often not directly comparable. Accordingly, it is recommended that Paragraph (vi) be deleted.

Paragraph (vii):

Under the Draft, the Pleadings must contain details and the outcome of any challenge to the patent(s). IPO recommends that this paragraph be revised to clarify (1) the reference to “patent(s)” is the patent(s) in suit, and not any other patent(s) in India or in any other jurisdictions, and (2) the requirement is limited to any pending challenges to the asserted claims. Any past challenges (on the basis of subject matter / prior art / etc.) may or may not be relevant to the cause of action of infringement, and can be disclosed at the Plaintiff’s (or Defendant’s) discretion if either party deems such information relevant. Accordingly, it is recommended that Paragraph (vii) be amended as follows:

Details of any pending challenge to the patent(s) in suit, with respect to the claims asserted in the suit, including for example, post grant oppositions, and outcome thereof.

Paragraph (viii)

The Draft requires that the Pleadings contain relevant facts showing validity of the invention covered by the Indian patent(s), such as from any orders from India or international jurisdictions dealing with the patent. For several reasons, IPO submits that this should not be required. Because patents are territorial, it is unlikely that there will be orders from other jurisdictions pertaining to validity of the suit patent(s) in India. Further, unless validity is challenged by the Defendant, the patent should be presumed valid. In addition, the infringement decision should be based on whether the Defendant’s accused product/process is covered by the claim(s) of the suit patent. Therefore, IPO suggests that it should not be mandatory to provide details of past oppositions and respective orders, which either party has discretion to submit if desired. Accordingly, it is recommended that Paragraph (viii) be deleted.

Paragraph (ix)

According to the Draft, the Pleadings must contain details of the allegedly infringing product/process and manner of infringement, including an exact description of the defendant’s process. For process patents, it may not be possible for the Plaintiff/Patentee to know exactly which process is being used by the Defendant. In such cases, upon establishing that the Defendant’s product is identical/similar to the product obtained from a patented process, under Section 104A of the Patents Act, the burden of proof may be shifted to the Defendant to establish that the process used by the Defendant to obtain the product is different from the patented process. Accordingly, it is recommended that Paragraph (ix) be amended as follows:

Details of allegedly infringing product or process, the manner in which infringement is being alleged ~~including an exact description of the defendant's process~~

Paragraph 1 (x)

The Draft requires that the Plaintiff's infringement pleadings provide details of licenses granted and whether the license is registered with the patent office and if not, the reasons. To comply with the annual working requirement, however, a patentee provides details of whether and how an application is worked in India, including through licensing, on Form 27. Accordingly, to reduce additional burden on the patentee, we propose amending Paragraph (x) as follows:

*(x) Details of licenses granted and any other details of the licenses available in public domain (if any), ~~and whether the license is registered with the Patent office and if not, the reasons thereof;~~ **such as provided under Form 27.***

Paragraph 1 (xi)

Under the Draft, the Plaintiff's infringement pleadings must include a "summary of the correspondence entered into between the parties." This requirement is of concern as it is overly broad. Correspondence between the parties can potentially cover a wide range of discussions unrelated to the issue of patent infringement and/or validity. This may include business discussions unrelated to the patent in suit. Therefore, IPO proposes amending Paragraph (xi) as follows:

*(xi) Summary of the ~~correspondence entered into~~ **legal notice and responses** between the parties **relating to the patent in suit.***

Paragraph 1 (xii)

The Draft requires that the Plaintiff's infringement pleadings must include, *inter alia*, a brief description of the remedy/relief which is being sought and quantification of damages. The Draft notes that such damages can be based on projected losses incurred by the Plaintiff. For clarity, it is suggested that projected losses be expounded upon by noting damages can be based on lost profits as well as royalties (e.g., an established royalty or a reasonable royalty). Therefore, IPO respectfully recommends that Paragraph (xii) be amended as follows:

*(xii) The remedy/relief which the Plaintiff seeks and quantification of damages (could be based on projected losses, **whether due to lost profits and/or royalties,** incurred by the Plaintiff), interests and costs.*

Paragraph 1 (xv)

It is also respectfully suggested that, for purposes of clarification, where damages are claimed, details of sales by the Patentee and/or a statement of royalties received associated with the patent-in-suit be provided. However, requiring details of

sales concerning an associated patent portfolio (*i.e.*, other than the patent-in-suit) may lead to confusion, may not be relevant, and may be misleading in determining the damages to be awarded. Therefore, IPO respectfully recommends that Paragraph (xv) be amended as follows:

(xv) ***Where damages are claimed***, details of sales by Patentee and/or statement of royalties received qua the Patent ~~or the portfolio till date~~.

(3) Counter Claim: The Draft describes details of the Counter claim contents. IPO recommends Section (3) be amended to include the following language:

The Counter claim challenging the validity of claims for lack of novelty / inventiveness in light of prior art must specify whether the said prior art was considered during the examination stage or during any other pre-/post-grant opposition or revocation proceeding. Also, if the prior art has been considered, the findings of the Registrar / Board / Court must also be provided.

(5) Written statement to the Counter claim and Replication: The Draft requires the Written Statement to the Counter claim and Replication to the Counter claim follow a pattern similar to that specified in the above sections on the Draft. As the Written Statement to the Counter claim will be different from the Written Statement to the Infringement suit, the phrase “pattern as specified above” may not be relevant to both statements. Accordingly, IPO requests Section (5) be amended as follows:

*Written statement to the Counter claim and Replication in the Counter claim shall follow a similar pattern as **applicable** specified above.*

(7) Suit under Section 106 of the Patents Act, 1970 for injunction against groundless threat:

Paragraph (ii)

According to the Draft, the Plaintiff’s pleadings in a suit under *Section 106 of the Patents Act 1970* for injunction against groundless threat must include, *inter alia*, a brief invalidity brief. For purposes of seeking clarity, we recommended that Paragraph (ii) be amended as follows:

*ii. If the threat concerns a patent which has been granted, **and if** ~~whether its validity is being challenged, and if so,~~ a brief invalidity brief to accompany the Plaintiff;*

4. Documents to be filed:

(1) Documents to be filed along with the Plaintiff:

Paragraph (iii)

The Draft requires that a list of all corresponding patent applications/grants in various countries along with their current status be submitted along with the pleadings. As the suit concerns only the allowed/granted claims of the patent in India, such additional documents may not be relevant, and requiring such information would cause additional burden on the Plaintiff. IPO recommends that this information be voluntarily submitted by either party (instead of it being mandatory). Accordingly, IPO recommends that Paragraph (iii) be deleted.

Paragraph (iv)

Under the Draft, a summary of any patent authority in another jurisdiction regarding decisions must be provided along with the pleadings. Because this information may be irrelevant to the suit in India, IPO recommends that this information be voluntary (instead of it being mandatory). Accordingly, it is recommended that Paragraph (iv) be deleted.

Paragraph (vi)

According to the Draft, copies of any decisions of courts or patent offices regarding the patent in suit or any corresponding patent in any jurisdiction must be provided along with the pleadings. Because this information may be irrelevant to the suit in India, IPO recommends that this information be voluntary (instead of it being mandatory). Accordingly, it is recommended that Paragraph (vi) be deleted.

Paragraph (x)

The Draft requires that laboratory analysis reports be filed along with the Pleadings. This is an overly broad requirement, and covers laboratory data unrelated to issues of infringement or invalidity. To the extent either party believes that certain laboratory reports are relevant to their case, submission should be voluntary. Accordingly, it is recommended that Paragraph (x) be deleted.

(2) Documents to be filed along with the Written Statement / Counter Claim:

Paragraph (i)

Under the Draft, copies of corresponding patent applications in any jurisdiction must be filed along with the written statement / counter claim. While decisions of a Court or patent authority regarding to the patent in suit may be relevant to the proceedings, details about the corresponding patent applications in jurisdictions other than India should not be required to be submitted. Accordingly, it is recommended that Paragraph (i) be revised as follows:

Copies of any decisions of a Court or any patent authority relating to the suit patent ~~or a corresponding patent application in any jurisdiction.~~

Paragraph (vii)

The Draft requires that a laboratory analysis report be filed along with the written statement / counter claim. For reasons explained above for Section 4(1)(x), IPO recommends that this report be voluntary (instead of it being mandatory). Accordingly, it is recommended that Paragraph (vii) be deleted.

Paragraph (viii)

The Draft requires that a statement of accounts be provided with the written statement/counter claim. IPO respectfully suggests that the requirement be revised to make clear that the statement of accounts is related and limited to the subject matter of the suit. Therefore, we propose the following amendment to Paragraph (viii):

(viii). *Statement of accounts **related and limited to the subject matter of the suit.***

7. Filing of affidavits of admission/denial and other briefs:Paragraph (iv)

Paragraph (iv) addresses, *inter alia*, that the length of the construction, invalidity, and infringement briefs shall each not exceed 10 pages. As can be readily appreciated, the number of embodiments, claims, and drawings of a patent can vary greatly. Such variations, especially with respect to the number of claims being contested, can directly impact the number of pages required to adequately address the litigant's position as reflected in its brief. It is therefore respectfully suggested that each of the parties be allowed to request leave of the court in seeking to file briefs longer than 10 pages. It is also respectfully submitted that the filing of evidence between the first and second management hearings may lead to the parties seeking leave to amend construction, invalidity, and/or infringement briefs before the High Court. In view of the foregoing, it is respectfully recommended that (iv) be amended as follows:

*(iv) Upon admission/denial being completed, prior to the first case management hearing, both parties shall file their respective claim construction briefs, invalidity briefs and infringement briefs. The said briefs shall not exceed 10 pages each and would contain a brief description of the construction of the claims, the case on invalidity and infringement of the patent. If there are multiple patents involved in a suit **or for other justifiable reasons**, then leave of court shall be sought for filing longer briefs. Leave to amend **construction, invalidity,** and infringement briefs shall be sought before the Court before the second [first] case management hearing.*

8. First case management hearing:Paragraph (iii)

IPO recognizes that, depending on whether the contested issues are directed to infringement or validity, the Court may wish to decide on the order of determining

infringement or validity. Regardless of the order between infringement and validity, claim construction must be determined first. For consistency in legal application, the same claim construction needs to apply whether the issue is infringement or validity, and both parties should be bound by the final claim construction. IPO therefore recommends the following revision to Paragraph (iii):

*iii. The Court shall also direct the filing of evidence by the parties, and in which order. The Court ~~may, depending on the facts,~~ **shall** direct the trial of ~~invalidity of the patent first or~~ claim construction first.*

Paragraph (iv)

For the same reason, priority in resolution of the issues needs to be given to claim construction, and IPO recommends the following revision to Paragraph (iv):

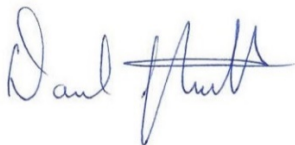
*iv. The Court may direct leading of evidence on any one or more of the issues, as a preliminary issue to expedite the decision in the suit, **with priority given to claim construction issues.***

12. Compulsory mediation: The Draft provides that, at any stage of the suit, once the court is of the opinion that an amicable resolution needs to be explored, the Court can require mediation without consent of the parties. Requiring mediation over the objection of both parties can add unnecessary costs and delay the resolution of the dispute. Therefore, IPO recommends that mediation should only be required if at least one party indicates their willingness to explore amicable resolution via mediation. We propose the following revision to Section 12:

*At any stage in the suit, if the Court is of the opinion that the parties ought to explore mediation, the Court may appoint a qualified mediator or panel of mediators including, technical experts to explore amicable resolution of the dispute. Consent of ~~the~~ **all** parties is not required, once the court is of the opinion that an amicable resolution needs to be explored. Further the mediator appointed by the court could be a scientific expert, economic expert or a legal expert, assisted by technical experts.*

We thank the High Court of Delhi for this opportunity to comment, and we welcome further dialogue and opportunity to provide additional comments.

Sincerely,



Daniel J. Staudt
President