

ONE OF ITS KIND

Supreme Court of India in its civil appellate jurisdiction adjudicated on a Patent dispute titled J. Mitra & Co. Pvt. Ltd. versus Asst. Controller of Patents & Design. & Ors..

The Supreme Court granted the leave and directed the High Court to adjudicate the matter in interest of justice for only two appeals of such kind were pending in the High Courts. The special circumstances arises because of dichotomy introduced for the first time by the Patents (Amendment) Act, 2005, in the Patent Law between "opposition to the pre-grant" and "opposition to the post-grant of patent" and "appeals against order passed by Controller of Patents under pre Grant or post grant opposition".

It would be wise to state the brief facts of the matter in tabular form for better understating of the matter.

26.03.1999	Section 116 of the Indian Patents Act, 1970 amended by the Patents (Amendment) Act, 1999 w.e.f. March 26, 1999 that provides for appeal to High Court against orders passed by the Controller of Patents. At that time only provision/remedy to oppose the grant of patent was pre grant opposition.
14.6.2000	J.Mitra & Company Pvt. Ltd. the appellant herein filed an application for grant of Patent
25.06.2002	Patents (Amendment) Act, 2002 was promulgated by Legislature and to hear appeals against orders passed by the Controller Appellate Board established under Section 83 of the Trade Marks Act, 1999 was made the Appellate Board for the purposes of Patent Act (under Section 116) and under Section 117A provision was made that appeal against order of Controller under Section 25 (pre Grant Opposition) and other provisions shall lie only in the Appellant Board. But Section 116 and 117A were not notified and brought into force. Still at that time only provision to oppose the grant of patent was pre grant opposition under Section 25 and same brought into force vide Notification dated 20.5.2003.
20.11.2004	The application was notified by the Patent Office after scrutiny Span Diagnostics Limited opposed the application under the provisions of Section 25 as stood then
04.04.2005	The Legislature enacted the Patents (Amendment) Act, 2005 w.e.f. 01.10.2005 but not all provisions were simultaneously brought into force. Only certain sections of the Patents (Amendment) Act, 2005 were brought into force. Provisions for

Pre Grant as well as Post Grant Opposition were made. But Section 117A was amended and expression Section “25” was replaced with Section 25(4), effectively meaning that appeal shall lie against order passed under Section 25(4) i.e. order passed by Opposition Board in Post Grant Patent. The Legislature allowed appeals only against decision passed by the Controller in a Post Grant Opposition not pre Grant Opposition. Though the provisions of Section 25 were brought into effect, but the provisions of Section 116 and 117A were not brought into effect.

- 21.03.2005 Pre-grant opposition was filed under Section 25(1) of the Patent Act. It is to be noted that Patent (Amendment) Act, 2005 was enacted only after filing of this opposition on 04.04.2005 but was brought into effect from 01.01.2005. Therefore only provision available for opposition on such date was under the Patent (Amendment) Act, 2002.
- 23.08.2006 Pre Grant Opposition was rejected by the Controller of Patents. And as the Section 116 and 117A was not enacted on such date only remedy was to file Appeal under the provisions of Section 116 of Patent (Amendment) Act, 2002 that provides for filing the appeal before the High Court.
- 22.09.2006 The patent was granted. From here contention of Appellant arises, that after grant of Patent
- 19.10.2006 Appeal filed before the High Court against the order passed by the Controller of Patents in the patent opposition being FAO no. 292/2006 & 293/2006.
- 02.04.2007 Provisions of Section 116 and 117A, brought into effect by notification by the Legislature
- 03.04.2007 Provisions of Section 117G, that called for transfer of all pending proceeding against any order or decision of Controller and all cases pertaining to revocation other than on a counter claim in a suit for infringement and rectification of register pending before any High Court to the Appellate Board was brought into effect by notification by the Legislature. The Appellate Board may proceed with the matter either de novo or from the stage it was so transferred.

In words of Hon'ble Supreme Court *“This matter is a classic illustration of the confusion which has emerged on account of the postponement of in-part commencement of Patents (Amendment) Act, 2005.”*

The enactment of Patents (Amendment) Act, 2005, introduced for the first time a dichotomy in the Patent Law between “opposition to the pre-grant” and “opposition to the post-grant of patent” and also as to “appeal” that may be preferred against any orders that may be passed by the Controller of Patents in opposition proceedings.

No doubt, the Amendment Act of 2005 brought major structural change in the Indian Patent Law as per India's Obligation under WTO/GATT. As per the amendment the appeals against orders passed under the post-grant opposition by the Controller shall lie before the Appellate Board and not to the High Court. But the enabling provision i.e. Section 117A was not brought into force till April 2, 2007. Therefore, appeal if any has to be preferred before the High Court under Section 116 of the Patent (Amendment) Act, 1999.

Though the provisions for an appellate forum to hear appeals against order passed by the Controller of Patents were enacted by legislature in 2002, the Govt was not able to start functioning of the Appellate Tribunal till April 2007 and hence Section 116 and 117A were not brought into force.

The Legislature intended to provide for only one statutory appeal against order passed by the Controller that too in a Post Grant Opposition to the Appellate Board but by not bringing Amending Section 61 into force till April 02, 2007, appeals filed during the interregnum i.e. between 01.01.2005 to 01.04.2007, as in this case, became vulnerable and liable to be dismissed as misconceived as contended by the appellant before Supreme Court.

Supreme Court observed that *"quite often the commencement of an Act is postponed to some specific future date or to such date as the Appropriate Government may, by notification in the Official Gazette, appoint. At times provision is made for appointment of different dates for coming into force of different parts of the same Act."*

"An Act cannot be said to commence or to be in force unless it is brought into operation by legislative enactment or by the exercise of authority by a delegate empowered to bring it into operation."

The Court while applying the above tests to the present case found that for the first time a dichotomy was introduced in the Patent Law by providing vide Section 25(1) for "opposition to pre-grant" and vide Section 25 (2) for "opposition to post-grant" of patent under the Patents (Amendment) Act, 2005. Earlier, there was no "post-grant opposition" and the only provision of challenge was a "pre-grant" challenge under Section 25 (1). By Patents (Amendment) Act, 2005, under Section 25(2) right is granted to an "aggrieved person" to challenge the patent even after its grant and the grounds of challenge are identical to Section 25(1) of the Act. Therefore giving a right after grant but limiting the right to only an "aggrieved person" and fixing the limitation period to one year after grant.

Though the Legislature further intended to limit the right to appeal only to post grant oppositions and obliterate appeal from "pre-grant proceedings" but the Executive did not bring the enacted law (Chapter XIX having provisions for appeals to the appellate board i.e. Section 116 and 117 A to H) into force vide a notification simultaneously along with other provisions of the Act especially Section 25 (1) and (2). As a result the chapter XIX containing amended Sections 116 and 117A(2) were not brought into force only on 2.4.07 (and 117G on 03.04.2007) whereas the concept of "Pre grant" and "Post-grant" oppositions were already brought into force w.e.f.1.1.2005. In words of the Hon'ble Supreme Court:

“This is where the legislative intent got defeated during the interregnum.”

During that period only the Respondent filed appeals against the orders rejecting the Pre Grant Oppositions by Controller of Patents being FAO No. 292/06 and 293/06 before the High Court under Section 116 of the Patents (Amendment) Act, 1999 , as it stood on date of filing of appeal i.e. October 19,2006”. On the date of filing of appeal, the amended Section 117A, suggested by Patents (Amendment) Act, 2005, was not brought into force, therefore, the Patents (Amendment) Act, 1999 prevailed under which an appeal lay before the High Court.

The Supreme Court held *“Taking into account the complexities involved in this case, on account of a hiatus created by reason of the law not being brought into force in time, we are of the view that the first appeals, filed by respondent no.3 in the High Court being FAO No.292/06 and FAO No.293/06, would remain in the High Court. The said appeals would be heard and disposed of by the High Court in accordance with law under Section 116 of the said 1970 Act as it stood on 19.10.06. The High Court will hear and decide the validity of the Order passed by the Controller dated 23.8.06 rejecting “pre-grant opposition” filed by respondent no.3. We are informed that there are hardly one or two matters of this nature which are pending.*

Therefore, we are of the view that respondent no.3 cannot be let without remedy. In the special circumstances of this case, particularly when after 2.4.07 appeals against orders rejecting “pre-grant opposition” are not maintainable and particularly when FAO No.292/06 and FAO No.293/06 were filed by respondent no.3 prior to 2.4.07 under the old law, we are of the view that these two appeals shall be heard and decided by the High Court in accordance with law. The Appellate Board after 2.4.07 is entitled to hear appeals only arising from orders passed by the Controller under Section 25(4), i.e., in cases of orders passed in “post-grant opposition”. Therefore, there is no point in transferring the pending FAO No.292/06 and FAO No.293/06 to the Appellate Board which has no authority to decide matters concerning “pre-grant opposition”. Moreover, it may be noted that even Section 117G, which refers to transfer of pending proceedings to the Appellate Board, is also brought into force vide Notification dated 3.4.07. Keeping in mind the peculiar nature of the problem in hand, we are of the view that ends of justice would be subserved if the High Court is directed to hear and decide the appeals bearing FAO No.292/06 and FAO No.293/06 in accordance with law as it then stood, i.e., under Section 116 under Patents (Amendment) Act, 1999 against Orders passed by the Controller in “pre-grant opposition” proceedings.

The Section 6 of the General Clauses Act 1897 clarified the position of law and intent:

6. Effect of repeal.- *Where this Act , or any Act made after the commencement of this Act, repeals any enactment hitherto made or hereafter to be made, then, unless a different intention appears, the repeal shall not—*

....

....

c). affect any right, privilege, obligation or liability acquired, accrued or incurred under any enactment so repealed; or

....

The provision along with ratio laid down by Hon'ble Supreme Court in GSK case concerning the Exclusive marketing rights made amply clear that where any enactment is repealed, it shall not affect any right, privilege, obligation or liability acquired, accrued or incurred under any enactment so repealed, unless, a different intention appears.

Applying the same ratio in the present matter, though the rights were accrued to respondent before the provisions of Section 116 as envisaged under Patents (Amendment) Act, 2005 was enacted, but the provisions of Section 117A made very clear that intention of legislature is different i.e. no appeal shall lie against any order passed by Controller of Patents in Pre Grant Oppositions.

The pendency of only very few such appeals against pre grant orders during the interregnum made the Hon'ble Supreme Court to keep the matter with the High Court. Otherwise, the interpretation of "appealable orders" under 117A read with 117G might have settled the position of law as to what about the provisions against which right to appeal is taken away subsequently.