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

+ CS(COMM) 1570/2016 and IA 14762/2016 and 14763/2016

NOVARTIS A.G & ANR Plaintiffs

Through: Mr. Hemant Singh, Ms. Mamta Jha and
Mr. A. Arvind, Advocates

versus

S.P. ACCURE LABS PVT LTD & ORS Defendants

Through: Mr. Kumar Sudeep, Advocate for D-1
Mr. R.S. Dakha and Mr. Sunny Jain, Advocates
for D-4

CORAM:

HON'BLE MR. JUSTICE R.K.GAUBA

ORDER

% **23.01.2017**

The suit was instituted impleading four defendants, they having been described in the array of parties as S.P. Accure Labs Pvt. Ltd. (defendant no.1), SPAL Private Limited (defendant no.2), Medicine Centre (Defendant no.3) and Medicate International Pvt. Ltd. (defendant no.4), seeking the following reliefs :-

“39(a). a decree for permanent injunction restraining the defendants, by themselves or through their directors, group company, associates, divisions, assigns in business, licensees, franchisees, agents, distributors and dealers from manufacturing, selling, offering for sale on CPHI website <http://www.cphi-online.com> or any other website, using, exporting, importing, directly or indirectly dealing in the molecule / compound Nilotinib by itself in any form, alone or in combination with any other compound either in an

active pharmaceutical ingredient (API) or as any drug formulation including Nilotinib Hydrochloride Monohydrate as may amount to infringement of Indian Patent No.237430 of the plaintiff no.1;

(b). an order for rendition of accounts of profits earned by the defendants for manufacture and sale of infringing pharmaceutical products, compound or formulation or combination containing Nilotinib alone or Nilotinib in combination with any other compound or API or in any other salt form or crystalline form and a decree for the amount so found due may be passed or in the alternative damages may be ascertained by this Hon'ble court and a decree for damages as ascertained may be passed in favour of the plaintiffs and against the defendants.

(c). a decree for delivery up to all the stock of infringing pharmaceutical formulations, compound or combination comprising Nilotinib alone or Nilotinib in combination with any other compound or API or in any other salt form or crystalline form, if any, available with the defendants to an authorised representative of the plaintiffs;

(d). an order for cost of the proceedings.

(e). any further order as this Hon'ble Court may deem fit and proper in the interest of justice”

When the suit was taken up on 30.11.2016 for the first time, the first defendant appeared through counsel and sought to clarify that the entity shown in the array of parties as second defendant was only a acronym of the same company as has been impleaded as defendant no.1. His further submissions as noted in the proceedings recorded on 30.11.2016 were as under :-

“...Mr. Malhotra submits on instructions that defendants have not launched the product to which exception has been taken by the present suit as yet and undertake not to do so

till next date of hearing. He, however, submits that a copy of the suit and the accompanying applications and documents may be made available to him so that a formal reply can be filed on behalf of the said defendants bringing on record the undertaking not to launch any product which may be infringing the rights of the patent of the plaintiffs in the subject drug on the basis of which cause of action has been pleaded in the present suit. He needs time to file his vakalatnama and appropriate submissions in above light...”

The learned senior counsel appearing for the plaintiff on the said date had agreed for the matter to be adjourned for appropriate steps to be taken by the first and second defendant in above light with further request that they be bound by the undertaking as had been given. While the case was thus adjourned on joint request, the court directed that the defendants would remain bound by the undertaking given on the said date.

On 08.12.2016 when the case came up again, it was pointed out that an affidavit had been filed on behalf of defendant no.1. It may be mentioned here that the affidavit to which reference was made on the said date had been sworn for and on behalf of the first defendant by Mr. Katikala Vijaya Prakash, Director in the first defendant, he also being the authorised signatory on behalf of the said party, competent to make such submissions through affidavit. It is the declaration made in the third paragraph of the said affidavit which is relevant and needs to be extracted as under :-

“3. That as the deponent I state that SP Accure Labs Pvt. Ltd. which is Defendant no.1 in the above-captioned suit

has never manufactured and will not in any manner in the future manufacture the molecule having International Non-proprietary name of NILOTINIB and which is the subject matter of Indian Patent No.237430 of plaintiff no.1 in the above captioned suit. I further state that SP Accure Labs Pvt. Ltd. has never sold or brought about any sale of the drug and will also not sell or in any manner bring about any sale of any drug in the future which is the subject matter of Indian Patent No.237430 of plaintiff no.1.”

In view of what had been submitted qua defendant no.2 on the preceding date, the learned counsel representing the first defendant sought an adjournment on 08.12.2016 so that he could come with another affidavit clarifying the position of the second defendant. In this view, the case was adjourned to be taken up today while binding the defendants with the undertaking thus given.

On 16.01.2017, Mr. Katikala Vijaya Prakash, Director-cum-authorised signatory of the first defendant has submitted another affidavit sworn by him, the third paragraph whereof clarifies the position vis-a-vis defendant no.2 in the following terms :-

“3. That as the deponent, I state that SP Accure Labs Pvt. Ltd. which is defendant no.1 in the present suit is the same entity as SPAL which is defendant no.2 in the present suit. I further state that SPAL is only an acronym for SP Accure Labs which itself is defendant no.1. I further state and affirm that defendant no.1 and defendant no.2 are the same entity and there is no difference between them and that they can be treated as the same entity for the purposes of the present suit.”

The matter has come up for further proceedings against the

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above backdrop. The learned counsel for the plaintiff submits that in view of the affidavit, sworn on 06.01.2017 and filed on 16.01.2017 for and on behalf of defendant no.1, and further affidavit dated 02.12.2016 earlier filed for and on behalf of the first defendant, the plaintiff do not wish to prosecute this case any further against defendant no.2, 3 and 4, the request being for the names of the said parties to be struck off. The learned counsel for the plaintiff further submits, and the learned counsel representing the first defendant fairly agrees, that in view of the submissions made on behalf of the first defendant, in the affidavits dated 02.12.2016 filed on 07.12.2016, the suit may be decreed against the first defendant in terms of prayer clause 39(a) as set out above, the plaintiff giving up its claim for other reliefs in terms of remaining sub-paras of para 39 of the plaint.

Having heard the learned counsel on both sides and having regard to the submissions made, primarily for and on behalf of first defendant through the aforementioned two affidavits, of its Director-cum-authorised signatory, the submissions made on behalf of the plaintiff on one hand and the first defendant are found to be just and proper.

Therefore, names of defendant no.2, 3 and 4 are struck off from the array. The suit of the plaintiff in terms of para 39 (b) to (e) stands dismissed as withdrawn.

The suit is partially allowed and decreed against first defendant to the effect that the defendant, by itself or through its directors, group company, associates, divisions, assigns in business, licensees,

franchisees, agents, distributors and dealers are permanently enjoined from manufacturing, selling, offering for sale on CPHI website <http://www.cphi-online.com> or any other website, using, exporting, importing, directly or indirectly dealing in the molecule / compound Nilotinib by itself in any form, alone or in combination with any other compound either in an active pharmaceutical ingredient (API) or as any drug formulation including Nilotinib Hydrochloride Monohydrate as may amount to infringement of Indian Patent No.237430 of the plaintiff no.1.

Decree sheet be prepared accordingly. The parties are left to bear their own costs.

The pending applications are rendered infructuous and disposed of accordingly.

R.K.GAUBA, J

JANUARY 23, 2017
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