

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 14.09.2018

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THE HON'BLE MR.JUSTICE M.SUNDAR

C.S.(Comm.Div.)No.215 of 2018

and

O.A.No.320 of 2018

1.Novartis AG,
Lichtstrasse 35, 4056
Basel,
Switzerland,
represented by its Power of Attorney
Durganand Singh.

2.Novartis Healthcare Private Limited,
Sandoz House, Shiv Sagar Estate,
Dr.Annie Besant Road,
Worli, Mumbai-400 018.
represented by its Power of Attorney,
Durganand Singh .. Plaintiffs

Vs.

Saimirra Innopharm Private Limited,
25, 12th Cross Street, Shastri Nagar,
Adyar, Chennai-600 020. .. Defendant

This Civil Suit is preferred under Order IV Rule 1 of Original Side Rules and Order VII Rules 1 and 2 of C.P.C. read with Sections 48, 104, 108 of the Patents Act, 1970 and proviso 1 to Section 7 of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 praying to pass a judgment and decree

a) for permanent injunction restraining the defendant, by itself or through its directors, group companies, associates, divisions, assigns in business, licensees, franchisees, agents, distributors and dealers from using manufacturing, selling, offering for sale through the website <http://www.saimirra.com/Products3.aspx> or any other means, importing, exporting, directly or indirectly dealing in Active Pharmaceutical Ingredient (API), pharmaceutical products, or formulations containing Vildagliptin alone or Vildagliptin in combination with any other compound or API or in any other form as may amount to infringement of Indian Patent No.212815 of the plaintiff No.1;

(b)for rendition of accounts of profits earned by the defendant for manufacture and sale of infringing pharmaceutical products or formulation or combination containing Vildagliptin alone or Vildagliptin in combination in any form and a decree for the amount so found due may be passed or in the alternative,

- (c) the defendant be ordered to pay to the plaintiff a sum of Rs.25,00,000/- (Rupees twenty five lakhs) as damages for committing acts of infringement against plaintiff's registered patent;
- (d) a decree for delivery up of all the stock of infringing pharmaceutical formulations, compound or combinations comprising Vildagliptin alone and/or Vildagliptin in combination with any other compound or formulation available with the defendant to an authorized representative of the plaintiffs;
- (e) an order for cost of the proceedings;
- (f) any further order as this Hon'ble Court may deem fit and proper in the interest of justice.

For Plaintiffs : Mr.Hemant Singh

For Defendant : Mr.G.Padmanabhan

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JUDGMENT

There are two plaintiffs and a sole defendant in this suit.

2 Mr.Hemant Singh, learned counsel for plaintiffs and Mr.G.Padmanabhan, learned counsel on record for sole defendant are before this Commercial Division.

3 By consent of both learned counsel, the main suit itself is being taken up for disposal. My power to pass a summary judgment without evidence which has been adumbrated in Order XIII-A of amended 'The Code of Civil Procedure, 1908' ('CPC' for brevity) as amended by 'The Commercial Courts Act, 2015' ('said Act' for brevity) has also been referred to and joint request of both learned counsel to take up and dispose of the main suit itself is on this basis.

4 The main suit itself is being taken up for disposal by consent of both learned counsel, in the light of the fair stand which the sole defendant has taken in the written statement and in the light of the reiteration of the same, about which I shall discuss infra.

5 The suit itself pertains to a complaint of infringement of a registered patent being Patent No.212815, which goes by the title 'N-SUBSTITUTED 2-CYANOPYRROLIDINES' (hereinafter referred to as 'suit patent' for the sake of convenience and clarity). Suit patent is valid for a period of 20 years from 09.12.1999. In other words, it is submitted that suit patent is valid till 8th December, 2019. This in effect means that suit patent is subsisting. Certified copy of the certificate of registration of suit patent has been filed as plaint document No.3 and a perusal of the same reveals that the patentee is plaintiff No.1.

6 It unfurls from the plaint averments and from the patent certificate referred to supra that plaintiff No.1, i.e., Novartis AG is a Swiss company. Plaintiff No.2 is an Indian operating company and it is a wholly owned subsidiary of plaintiff No.1. It further unfurls from the plaint averments that plaintiff No.2 is marketing patented products in India and that includes products qua suit patent.

7 Sole defendant has filed a written statement, dated 17.07.2018.

8 Both learned counsel draw my attention to paragraphs 10 and 41 of the said written statement, which read as follows :

□10.That the Defendant is in no way infringing the alleged registered Indian Patent No.209816 of the Plaintiff No.1 that covers amongst other molecules having an International Non-Proprietary Name (INN), Vildagliptin. The defendant does not manufacture Vildagliptin at all, nor has any plans to manufacture the said drug during the currency of the patent. There is neither any manufacture or sale nor any activity whatsoever undertaken by the Defendant in respect of the suit patent drug. Thus, there is no cause of action to institute the present suit against the defendant. The present is totally misconceived and is instituted only to harass the Defendant and to malign its name in the industry. The defendant reserves its right to institute appropriate proceedings against the plaintiffs

to protect its interests.

41. The averments in paragraph 53 are false and denied. In view of the denials made by the defendant that it does not manufacture, use, offer to sell, sell, supply, import or export the suit patent drug or has any intention to do so in future, no infringement or threat of infringement can be attributed to the defendant. Consequently, the plaintiffs are not entitled to any relief from this Hon'ble Court. If required by this Hon'ble Court, the defendant is ready and willing to give an undertaking that it has no intention nor has any plans to manufacture, use, sell, supply, import or export the suit patent drug until the expiry of the patent.□

9 A perusal of aforesaid paragraphs 10 and 41 of the written statement of sole defendant would reveal that the sole defendant has taken a stand that they have not infringed the suit patent and more importantly, they have taken the stand that they would undertake that they have no plans to manufacture, use, sell, supply, import or export any product qua suit patent. Though obvious, averments also say that it is until the expiry of the suit patent. It is obvious because, on expiry of the patent, the same would be in public domain. It may not be necessary to delve further into these aspects of the matter in the light of learned counsel on record for defendant submitting on instructions today that averments in the written statement, particularly the averment contained in paragraphs 10 and 41 supra, which have been extracted and reproduced supra are reiterated. Reiterating the aforesaid averments, learned counsel on record for sole defendant submits that they have not and they would not infringe the suit patent.

10 To be noted, paragraph 10 supra of written statement refers to patent No.209816. Learned counsel for sole defendant submits on instructions that it is an inadvertent typographical error and that the patent number should read as 212815. It is the specific say of learned counsel for sole defendant that the averment in paragraph 10 of the written statement pertains to suit patent.

11 This takes us to prayers in the plaint.

12 There are six limbs of prayers in the plaint. Prayer paragraph in the plaint is paragraph No.60 and for the sake of convenience and clarity, I deem it appropriate to extract entire paragraph 60 and the same reads as follows :

□60. In light of the above facts and circumstances, it is therefore prayed that this Hon'ble Court may be pleased to pass a judgment & decree for the following reliefs in favour of the Plaintiffs and against the Defendant :

a) for permanent injunction restraining the defendant, by itself or through its directors, group companies, associates, divisions, assigns in business, licensees, franchisees, agents, distributors and dealers from using manufacturing, selling, offering for sale through the website

<http://www.saimirra.com/Products3.aspx> or any other means, importing, exporting, directly or indirectly dealing in Active Pharmaceutical Ingredient (API), pharmaceutical products, or formulations containing Vildagliptin alone or Vildagliptin in combination with any other compound or API or in any other form as may amount to infringement of Indian Patent No.212815 of the plaintiff No.1;

(b) for rendition of accounts of profits earned by the defendant for manufacture and sale of infringing pharmaceutical products or formulation or combination containing Vildagliptin alone or Vildagliptin in combination in any form and a decree for the amount so found due may be passed or in the alternative,

(c) the defendant be ordered to pay to the plaintiff a sum of Rs.25,00,000/- (Rupees twenty five lakhs) as damages for committing acts of infringement against plaintiff's registered patent;

(d) a decree for delivery up of all the stock of infringing pharmaceutical formulations, compound or combinations comprising Vildagliptin alone and/or Vildagliptin in combination with any other compound or formulation available with the defendant to an authorized representative of the plaintiffs;

(e) an order for cost of the proceedings;

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

13 From the narrative supra, it emerges clearly that sole defendant would submit to decree qua limb (a) of prayer paragraph as admittedly / concededly, the defendant has no real prospect of successfully defending the claim and there is no other compelling reason as to why the claim qua injunctive relief in sub paragraph (a) of prayer paragraph supra should not be disposed of before recording of oral evidence. To be noted, it is the stated position of defendant that they are not defending or resisting the aforesaid limb (a) of prayer paragraph as defendant neither manufactures nor intends to manufacture the product qua suit patent. Learned counsel for sole defendant reiterates this position and submits on instructions that sole defendant would submit to decree qua limb (a) of prayer paragraph.

14 In response to the above, Mr.Hemant Singh, learned counsel for plaintiffs submits that plaintiffs are giving up prayer limbs b, c, d, e and f. In other words, prayer limbs b to f are given up by plaintiffs.

15 In the result, this suit is decreed in terms of limb (a) supra of prayer paragraph which is an injunctive relief.

16 The suit is decreed on above terms. As all other limbs including limb for costs have been given up, there shall be no order as to costs. Consequently, connected application is closed.

14.09.2018

Speaking order

Index : Yes/No

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M.SUNDAR, J.

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