

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORDINARY ORIGINAL CIVIL JURISDICTION)

FRIDAY, THE 12TH DAY OF JULY 2019

THE HON'BLE MR. JUSTICE S.VAIDYANATHAN

A. No.8944 of 2018
in
C.S.No.282 of 2018

1. Novartis AG,
Lichtstrasse 35, 4056
Basel, Switzerland,
rep. by its Power of Attorney Holder,
Mr.Atul Bade

2. Novartis Healthcare Pvt. Limited,
Sandoz House, Shiv Sagar Estate,
Dr.Annie Besant Road, Worli,
Mumbai-400 018
rep. by its Power of Attorney Holder,
Mr.Atul Bade

... Plaintiffs

-Versus-

***VENKATA NARAYANA ACTIVE INGREDIENTS PVT LTD**

**Venkata Narayana Towers,
III Floor, New No.60, Old No.35,
Venkata Narayana Road, T. Nagar,
Chennai 600017**

***(Amended as per order dated 23.11.2018 in Appln. No.8946/2018 and
time Extended as per order dated 22/04/2019)**

... Respondent

A. No.8944 of 2018:-

Nutra Specialities Pvt. Ltd.,
No.4, First Floor,
Bharathi Nagar 4th Street,
T.Nagar, Chennai-600 017.

...Applicant/Defendant

1. Novartis AG,
Lichtstrasse 35, 4056
Basel, Switzerland,
rep. by its POA
Mr.Atul Bade

2. Novartis Healthcare Pvt. Limited,
Sandoz House, Shiv Sagar Estate,
Dr.Annie Besant Road, Worli,
Mumbai-400 018
rep. by its POA
Mr.Atul Bade

... Respondents/Plaintiffs

Application praying that this Hon'ble Court be pleased to allow this application and permit that Applicant/defendant to file additional written statement with counter claim within four weeks time.

This application coming on this day before this Court for hearing, the Court made the following order:-

JUDGEMENT RESERVED ON	22.04.2019
JUDGMENT PRONOUNCED ON	12.07.2019

The Defendant in the Suit viz. Venkata Narayana Active Ingredients Private Limited, Chennai has come up with the above Application seeking permission of this Court to file Additional Written Statement with counter claim within a period of four weeks.

2. According to the Applicant/Defendant, the above Suit has been
<https://hcservices.ecourts.gov.in/hcservices/>
filed by the Plaintiff seeking to restrain the Applicant/Defendant for allegedly

infringing the Plaintiff's Patent IN212815 and for consequential reliefs. Based on the documents disclosed in the Plaint, the Defendant has filed Written Statement on 10.07.2018, inter alia pleading (i) that the Defendant had not infringed the Plaintiffs' patent that API was supplied by the Defendant only for Research and Development purposes as per Section 107A of the Patents Act, 1970 (ii) that in any event, Section 8(1) and 8(2) of the Patents Act has not been followed for grant of the Indian Patent No.212815 to the 1st Plaintiff (iii) that the 1st Plaintiff has admitted that the patent itself is for a metabolite (of product claimed by the 1st Plaintiff in USP 6,011,155), patenting of which is strictly prohibited under Section 3(d) of the Patents Act, 1970 and therefore, patent No.212815 has not been validly granted.

3. It is further stated by the Applicant/Defendant that subsequent to the filing of Written Statement, the Applicant/Defendant came to understand that the 2nd Plaintiff has no locus-standi to maintain the Suit and that Patent No.IN212815 based on which, the above Suit has been filed, is invalid. It is the contention of the Applicant/Defendant that the Respondents/Plaintiffs suppressed material facts while purporting to obtain registration from the Controller of Patents & Designs, India and more significantly, the subject matter of the patent is not a patentable invention within the meaning of

4. It is the further case of the Applicant/Defendant that the Plaintiffs' Patent No.212815 is valid only till 09.12.2018, after which, it slips into public domain. Thereafter, the monopoly ceases and it is open to anyone to make generic drugs. However, to comply with statutory regulations, it is a common practice in the pharmaceutical industry to prepare drugs, carry out bio-equivalence and various stability tests on such generic drugs in compliance with statutory regulations and standards set by the World Health Organization and be ready to launch generic drugs, the moment the patent lapses. The quantities supplied by the Respondents/Plaintiffs to the manufacturers are only for research and development purposes and it does not qualify as “commercial” purpose.

5. Though on merits, the Defendant has taken a defence in the Written Statement that it has already been filed within time, as there is no counter-claim filed, the Applicant/Defendant has come up with the above Application seeking leave of this Court to permit them to file Additional Written Statement with counter claim inter-alia seeking revocation of the Patent under Section 64 of the Patents Act and consequently for dismissal of the Suit.

6. Learned counsel for the Applicant/Defendant submitted that in the case on hand, Written Statement has been filed within 45 days from the date of receipt of Suit Summons. Even though Written Statement ought to have been filed within 30 days as stipulated under the Commercial Courts Act, 2015, in the case on hand, as Suit Summons have been served on the Defendant, the delay in filing Written Statement was explained and condoned and thereafter, it was taken on file.

7. According to the learned counsel for the Applicant/Defendant, the patent said to have been registered by the Respondents/Plaintiffs is valid for a period of 20 years. He contended that the validity of the Patent goes to the very root of the above suit and the Respondents/Plaintiffs will be put to irreparable loss and hardship, if they are not permitted to file additional Written Statement with counter-claim. He went on to contend that the failure of the Applicant/Defendant to raise additional defence and counter claim in the Written Statement already filed, is neither wilful nor wanton, but only due to paucity of time and hence, he submitted that no prejudice would be caused to the Respondents/Plaintiffs, if the Applicant/Defendant is permitted to file additional Written Statement with counter claim.

8. It is further submitted by the learned counsel for the

Applicant/Defendant that the Application for patent Registration No.09/209,068 was obtained as early as on 10.12.1998. Further, Form-3 produced by Novartis AG on 04.06.2001 would make it very clear that the very same Application was pending before the authority concerned in U.S.A. Learned counsel contended that when the Application was abandoned as early as in 1998, the question of pendency of the same on 04.06.2001 is completely false and fraud has been played by the Respondents/Plaintiffs on the Applicant/Defendant and there are several documents to that effect. Hence, according to the learned counsel, in view of the fact that fraud has been committed, the judgment and decree passed earlier would not bind the parties concerned.

9. Learned counsel for the Applicant/Defendant also drew the attention of this Court to Order VIII Rule 9 C.P.C. and contended that the statement pleaded in the Written Statement could not be permitted by this Court by way of setting off or counter-claim except with the leave of this Court upon such terms, as the Court may think, however, the Court may also require a Written Statement or Additional Written Statement from any of the parties and fix time of not more than 30 days for presenting the same.

10. Learned counsel for the Applicant/Defendant went on to submit

that in view of Order VIII Rule 9 C.P.C., this Court has got ample powers to accept the Additional Written Statement. According to him, even though the time limit of 120 days in presenting the Additional Written Statement has lapsed and that the original Written Statement has been filed within 120 days, cause of action is the main criteria to be taken into account for the purpose of filing Additional Written Statement. He went on to contend that in the case on hand, as fraud has been brought to the attention of this Court, no harm would be caused to the Respondents/Plaintiffs, if the Applicant/Defendant is allowed to file Additional Written Statement.

11. Learned counsel further drew the attention of this Court to Rule 6A and 6B of Order VIII of C.P.C. to contend that the Defendant in the Suit, may, in addition to his right of pleading a set-off under Rule 6, set up, by way of counter-claim against the claim of the plaintiff, any right or claim in respect of a cause of action accruing to the Defendant against the Plaintiff. He further submitted that in terms of Rule 6B of Order VIII, the Applicant/Defendant is entitled to file Additional Written Statement and the outer time limit of 120 days prescribed under the Commercial Courts Act, 2015, may not be applicable to subsequent pleadings taken in the Application. The provisions of the Code of Civil Procedure are not excluded and that they are in addition to the provisions of the Commercial Courts Act,

2015 and as long as there is no bar, this Court is bound to look into the provisions of the Code of Civil Procedure for the purpose of accepting the Additional Written Statement.

12. Learned counsel for the Applicant/Defendant also contended that the statutory provision under the Commercial Courts Act, 2015 protecting the rights of the Defendant to file Additional Written Statement cannot be withered away. According to him, no prejudice would be caused to the Respondents/Plaintiffs, as the matter is going to be tried on merits and that it is open to the Respondents/Plaintiffs to take such other defence available to them to oppose the contentions in the Additional Written Statement.

13. In support of his case, learned counsel appearing for the Applicant/Defendant has relied on the following decisions:

(i) **Ramesh Chand Ardawatiya vs. Anil Panjwani, (2003) 7 SCC 350**

“24. Order 8 CPC deals with “written statement, set-off and counter-claim”. We would like to state, by way of clarification, that the provisions of CPC which are being considered herein are as amended by Act 104 of 1976 only (excluding from consideration the amendments incorporated by Act 46 of 1999 with effect from 1-7-2002). According to Rule 1 of Order 8 the defendant shall, at or before the first hearing or

within such time as the court may permit, present a written statement of his defence. Under Rule 2 the defendant must raise by his pleadings inter alia all matters which show the suit not to be maintainable and all such grounds of defence as, if not raised, would be likely to take the opposite party by surprise. Under Rule 6 the defendant may at the first hearing of the suit, but not afterwards unless permitted by the court, present a written statement containing the particulars of the debt sought to be set-off subject to certain limitations. Rules 6-A, 6-B and 6-C (introduced by the Amendment Act, 1976) read as under:

“6-A. (1) A defendant in a suit may, *in addition to his right of pleading a set-off under Rule 6, set up, by way of counter-claim* against the claim of the plaintiff, any right or claim in respect of a cause of action accruing to the defendant against the plaintiff either before or after the filing of the suit but *before the defendant has delivered his defence or before the time limited for delivering his defence has expired*, whether such counter-claim is in the nature of a claim for damages or not:

Provided that such counter-claim shall not exceed the pecuniary limits of the jurisdiction of the court.

(2) Such counter-claim shall have the same effect as a cross-suit so as to enable the court to pronounce a final judgment in the same suit, both on the original claim and on the counter-claim.

(3) The plaintiff shall be at liberty to file a written statement in answer to the counter-claim of the defendant within such period as may be fixed by the court.

(4) The counter-claim shall be treated as a plaint and governed by the rules applicable to plaints.

6-B. Where any defendant seeks to rely upon any ground as supporting a right of counter-claim, he shall, *in his written statement*, state specifically that he does so by way of counter-claim.

6-C. Where a defendant sets up a counter-claim and the plaintiff contends that the claim thereby raised ought not to be disposed of by way of counter-claim but in an independent suit, the plaintiff may, at any time before issues are settled in relation to the counter-claim, apply to the court for an order that such counter-claim may be excluded, and the court may, on the hearing of such application make such order as it thinks fit.

28. Looking to the scheme of Order 8 as amended by Act 104 of 1976, we are of the opinion, that there are three modes of pleading or setting up a counter-claim in a civil suit. Firstly, the written statement filed under Rule 1 may itself contain a counter-claim which in the light of Rule 1 read with Rule 6-A would be a counter-claim against the claim of the plaintiff preferred in exercise of legal right conferred by Rule 6-A. Secondly, a counter-claim may be preferred by way of amendment incorporated subject to the leave of the court in a written statement already filed. Thirdly, a counter-claim may be filed by way of a subsequent pleading under Rule 9. In the latter two cases the counter-claim though referable to Rule 6-A cannot be brought on record as of right but shall be governed by the discretion vesting in the court, either under Order 6 Rule 17 CPC if sought to be introduced by way of amendment, or, subject to exercise of discretion conferred on the court under Order 8 Rule 9 CPC if sought to be placed on record by way of subsequent pleading. The purpose of the provision enabling filing of a counter-claim is to avoid multiplicity of judicial proceedings and save upon the court's time as also to exclude the inconvenience to the parties by enabling claims and counter-claims, that is, all disputes between the same parties being decided in the course of the same proceedings. If the

consequence of permitting a counter-claim either by way of amendment or by way of subsequent pleading would be prolonging of the trial, complicating the otherwise smooth flow of proceedings or causing a delay in the progress of the suit by forcing a retreat on the steps already taken by the court, the court would be justified in exercising its discretion not in favour of permitting a belated counter-claim. The framers of the law never intended the pleading by way of counter-claim being utilized as an instrument for forcing upon a reopening of the trial or pushing back the progress of proceeding. Generally speaking, a counter-claim not contained in the original written statement may be refused to be taken on record if the issues have already been framed and the case set down for trial, and more so when the trial has already commenced. But certainly a counter-claim is not entertainable when there is no written statement on record. There being no written statement filed in the suit, the counter-claim was obviously not set up in the written statement within the meaning of Rule 6-A. There is no question of such counter-claim being introduced by way of amendment; for there is no written statement available to include a counter-claim therein. Equally there would be no question of a counter-claim being raised by way of “subsequent pleading” as there is no “previous pleading” on record. In the present case, the defendant having failed to file any written statement and also having forfeited his right of filing the same the trial court was fully justified in not entertaining the counter-claim filed by the defendant-appellant. A refusal on the part of the court to entertain a belated counter-claim may not prejudice the defendant because in spite of the counter-claim having been refused to be entertained he is always at liberty to file his own suit based on the cause of action for counter-claim.”

“15. The next point that remains to be considered is whether Rule 6-A(1) of Order 8 of the Code of Civil Procedure bars the filing of a counter-claim after the filing of a written statement. This point need not detain us long, for Rule 6-A(1) does not, on the face of it, bar the filing of a counter-claim by the defendant after he had filed the written statement. What is laid down under Rule 6-A(1) is that a counter-claim can be filed, provided the cause of action had accrued to the defendant before the defendant had delivered his defence or before the time limited for delivering his defence has expired, whether such counter-claim is in the nature of a claim for damages or not. The High Court, in our opinion, has misread and misunderstood the provision of Rule 6-A(1) in holding that as the appellants had filed the counter-claim after the filing of the written statement, the counter-claim was not maintainable. The finding of the High Court does not get any support from Rule 6-A(1) of the Code of Civil Procedure. As the cause of action for the counter-claim had arisen before the filing of the written statement, the counter-claim was, therefore, quite maintainable. Under Article 113 of the Limitation Act, 1963, the period of limitation of three years from the date the right to sue accrues, has been provided for any suit for which no period of limitation is provided elsewhere in the Schedule. It is not disputed that a counter-claim, which is treated as a suit under Section 3(2)(b) of the Limitation Act has been filed by the appellants within three years from the date of accrual to them of the right to sue. The learned District Judge and the High Court were wrong in dismissing the counter-claim.”

(iii) **Shanti Rani Das Dewanjee vs. Dinesh Chandra Day, (1997) 8**

SCC 174

<https://hcservices.ecourts.gov.in/hcservices/> “2. In our view, the impugned decision does not warrant interference. Such question was specifically

raised before this Court in *Mahendra Kumar v. State of M.P.* [(1987) 3 SCC 265] It has been held by this Court that right to file a counter-claim under Order VIII Rule 6-A of the Code of Civil Procedure is referable to the date of accrual of the cause of action. If the cause of action had arisen before or after the filing of the suit, and such cause of action continued up to the date of filing written statement or extended date of filing written statement, such counter-claim can be filed even after filing the written statement. The said Civil Case No. 248 of 1982, in which the application under Order VIII Rule 6-A has been filed by the defendant-respondents was instituted on 15-7-1982 and the application under Order VIII Rule 6-A was presented on 22-6-1985. It cannot be held that the cause of action for the suit or counter-claim was ex facie barred by limitation under the Limitation Act. It has been sought to be contended by the learned counsel for the appellant that in the instant case, the cause of action had arisen long before the institution of the said Civil Case No. 248 of 1982 and, therefore, the suit and counter-claim were barred under the Limitation Act. Such question was not raised before the court below and, therefore, had not been gone into. It is therefore, not necessary for this Court to decide the same because the question of limitation regarding the suit if raised will be decided after ascertaining the date of accrual of the cause of action on the basis of relevant materials to be placed on record. We are therefore, not expressing any opinion on the said contention sought to be raised by the learned counsel for the appellant, for the first time before this Court. As the application under Order VIII Rule 6-A is not ex facie barred the impugned order cannot be held to be incorrect on the grounds urged before the court below. We therefore find no reason to interfere with the impugned order. This appeal, therefore, fails and is dismissed without any order as to costs.”

"7. As stated earlier, the Fourth Defendant has made a counter-claim based on the Partition Deed dated 23.05.1990. Therefore, the cause of action for the Fourth Defendant was available before he had filed his Written Statement. A right to file a counter-claim is an additional right under Order 8, Rule 6-A of CPC, which preferably accrues from the date of cause of action, however, the cause of action must accrue before or after the filing of the Suit and if such cause of action continued even after filing of the Written Statement, a counter-claim can be filed, even after the filing of the Written Statement."

(v) **A.Nandagopala Krishnan vs. Antony, 2012 (4) CTC 807**

"10. In view of the above position in law, the application of the Defendant is not liable to be dismissed on the ground that it had been filed after filing of the Written Statement. It cannot be disputed that the right to prefer counter claim has been statutorily granted to the Defendant in order to avoid multiplicity of suits between the same parties and the same subject matter though based on different cause of action and grounds. Such a procedure helps rival parties to get their dispute adjudicated upon the same proceedings by leading same set of evidence and having common arguments. Therefore, one of the purposes of permitting filing of counter claim is to ensure speedy justice by avoiding procedural repetitions and technicalities. Though it is held that it should be before the commencement of the trial, but a liberal construction of the rule is called for even in a case as in the present case where the defence evidence has not commenced."

(vi) **Valli vs. Kandasamy, 2018 (6) CTC 273**

"10. From the judgments relied on by the learned counsel for the petitioners and respondent,

the following principles emerge -

(i) The defendant is given additional right under Order VIII Rule 6A CPC to file counter claim against the claim of plaintiff.

(ii) The defendant is entitled to file counter claim in respect of cause of action that accrued to the defendant against the plaintiff before or after filing of the suit but before the defendant delivered his defence or before time limited for delivering his defence expired.

(iii) The Court has discretionary power to extend the time for filing written statement as well as for filing counter claim. This discretion has to be exercised judicially and it should not prejudice the plaintiff.

(iv) Scope of Order VI Rule 17 and Order VIII Rule 6A CPC are different.

(v) The purpose of permitting the defendant to file counter claim is to avoid multiplicity of proceedings.

(vi) The words before the defendant has delivered his defence or time limited for delivering his defence expired had been interpreted as before the defendant let in evidence.

(vii) The defendant can file his counter claim in respect of cause of action that accrued to him either before or after filing of the suit but before filing of his written statement. In respect of cause of action that arises after filing of the written statement, the remedy available to the defendant is to file a suit on his own, even if his prayer for filing counter claim is rejected.

(vii) **Olympic Industries vs. Mulla Hussainy Bhai Mulla**

Akberally, (2009) 15 SCC 528

“18. It is also well settled that while allowing the additional counter-statement or refusing to accept the same, the court should only see that if such additional counter-statement is not accepted, the real controversy between the parties could not be decided. As noted herein earlier, by filing an additional counter-statement in the present case, in our view, would not cause injustice or prejudice to the respondents but that would help the court to decide the real controversy between the parties. In our view, the High Court was, therefore, not justified in rejecting the application for permission to file additional counter-statement as no prejudice could be caused to the respondent which would otherwise be compensated in terms of costs.”

(viii) **Vijay Prakash Jarath vs. Tej Prakash Jarath, (2016) 11 SCC**

800

"9. It is quite apparent from the factual position noticed hereinabove, that after the issues were framed on 18-10-1993, the counterclaim was filed by the appellants before this Court (i.e. by Defendants 3 and 4 before the trial court) almost two-and-a-half years after the framing of the issues. Having given our thoughtful consideration to the provisions relating to the filing of counterclaim, we are satisfied, that there was no justification whatsoever for the High Court to have declined, the appellant before this Court, from filing his counterclaim on 17-6-1996, specially because, it is not a matter of dispute that the cause of action, on the basis of which the counterclaim was filed by Defendants 3 and 4, accrued before their written statement was filed on 11-11-1992. In the present case, the respondent-plaintiff's evidence was still being recorded by the trial court, when the counterclaim was

filed. It has also not been shown to us, that any prejudice would be caused to the respondent-plaintiff before the trial court, if the counterclaim was to be adjudicated upon, along with the main suit. We are of the view, that no serious injustice or irreparable loss (as expressed in para 15 of *Bollepanda P. Poonacha case* [*Bollepanda P. Poonacha v. K.M. Madapa*, (2008) 13 SCC 179]), would be suffered by the respondent-plaintiff in this case.”

(ix) **K.Jagan vs. Arumugam, 2016 (4) L.W. 736**

“7. A perusal of Order VIII Rule 9 shows that no pleading subsequent to the Written Statement of the Defendant shall be filed except by the leave of the Court and the Court is also expected to fix a time as stipulated therein. It has been held in a catena of decisions that the additional written statement should not set up a totally new case or state facts at direct variance with the original written statement so as to completely change the issue in the case. At this juncture, it is quite relevant to point out that such an embargo is not clearly contained in Order VIII Rule 9 which stands amended as per C.P.C. (Amendment) Act 2002. The legislative intent behind restriction of parties from filing subsequent pleading is to ensure that there is a logical end put to pleadings in a Civil Suit and parties are not permitted to invariably prolong the matter according to their whims and fancies by filing unnecessary pleadings only with an intent to drag on the matter.

8. Though the general stand adopted by the Courts in matters of either amendment of pleadings or permitting for filing additional pleadings is generally liberal so as to provide parties to effectively put forth their case and also ensure that any aspects that have to necessarily be pointed out before the Court are permitted to be allowed.

However, the Courts ought to be cautious in ensuring that the legislative intent behind Order VIII Rule 9 is not given a go by."

(x) **Shanmugam vs. Vijayarangam, 2004 (4) L.W. 699**

"10. Order 8 Rule 9 of C.P.C provides for subsequent pleadings, which states as follows:-

"No pleading subsequent to the written statement of a defendant, either by way of defence to a set-off or counter-claim shall be presented except by the leave of the court and upon such terms as the court thinks fit, but the court may at any time require a written statement or additional written statement from any of the parties and fix a time for presenting the same".

This provision enables the defendant to filing of additional written statement; that in the present case the defendant is seeking permission for filing additional written statement on the ground that the relevant documents were filed in some other suit and only in the said circumstances, he could not set forth all his defence in the suit. To avoid further delay and also to prove the bona fides the defendant also filed the additional written statement. The trial court is expected only to consider the bona fide in filing the petition. But in this case the trial court has gone to the extent of discussing the merit of the additional written statement filed by the defendant at the stage itself, which is not proper. As a matter of fact, this is the view expressed in the case of "Jayamma Ramachandra Reddy and another vs. J.Sathyanarayana and another" (1995 (II) CTC 258), wherein the learned Judge (S.M.ALI MOHAMED.J) has opined instead of allowing the additional counter statement and completing the pleadings, the Rent Controller has gone into the merits of the case which is also not permissible at

the stage of filing additional counter statement. I am also of the view that the trial court instead of considering the petition to allow, or not to allow has gone into the merits of the additional written statement and the same is not permissible at that stage and therefore, the order passed by the trial court deserves to be set aside.”

(xi) **Byram Pestonji Gariwala vs. Union Bank of India, (1992) 1 SCC 31**

"43. A judgment by consent is intended to stop litigation between the parties just as much as a judgment resulting from a decision of the court at the end of a long drawn out fight. A compromise decree creates an estoppel by judgment. As stated by Spencer-Bower and Turner in *Res Judicata*, (2nd edn., page 37):

“Any judgment or order which in other respects answers to the description of a res judicata is nonetheless so because it was made in pursuance of the consent and agreement of the parties Accordingly, judgments, orders, and awards by consent have always been held no less efficacious as estoppels than other judgments, orders, or decisions, though doubts have been occasionally expressed whether, strictly, the foundation of the estoppel in such cases is not representation by conduct, rather than res judicata.”

(xii) **Chemtura Corporation vs. Union of India, 2009 SCC Online Del 2634**

“45. It is not possible to accept the submission, made by referring to the Halsbury's Laws of England, that since the omission to furnish particulars is not serious enough to affect the grant of the patent, it did not impinge on its validity.

Section 64 (1) (j) and (m) indicate to the contrary. Further under Section 43 (1) (b) a patent can be granted only when the application has been found not to be contrary to any provision of the Act. It cannot be said that the omission to comply with the requirement of Section 8 (2) was not serious enough to affect the decision of the Controller to grant the patent to the Plaintiff. The information, if provided, would have enlightened the Controller of the objections raised by the US patent office and the extent to which the Plaintiff had to limit its claims to the torus shape of the compression spring, which was a key feature of the subject device. Had the Controller been informed of the Plaintiff's own patent No.3932005 dated 13th January 1976, he would have been called upon to examine if that patent taught the use of a toroidal shape of a compression member and whether therefore the subject device was an inventive step within the meaning of the Act.

49. This Court holds that for the aforementioned reasons, in view of the *prima facie* non-compliance by the Plaintiff with the requirement of Sections 8 (1)(b) and 8(2) of the Act, the ground for revocation as contained in Section 64 (1) (m) is *prima facie* attracted. This Court does not find it necessary to examine in a greater detail whether the other grounds for revocation, including those spelt out in Sections 64 (1) (h) or (j), are attracted. In the considered view of the Court, that would require evidence to be led. The Court is also, therefore, not examining whether the subject patent is vulnerable on the grounds of lack of inventive step and obviousness or non-working of the patent. The petition before the IPAB will perhaps afford an opportunity for a full fledged enquiry into those aspects, and therefore this Court refrains from expressing any opinion thereon.”

14. In reply, learned counsel appearing for the Respondents/Plaintiffs contended that Order VIII Rule 9 C.P.C. is not going to help the Applicant/Defendant and that Rule 1, 6A, 6B and 9 of Order VIII C.P.C. will have to be read harmoniously. According to the learned counsel, Rule 9 of Order VIII C.P.C. cannot be read in such a way so as to take away the time limit prescribed under the Commercial Courts Act, 2015. It is no doubt true that Additional Written Statement can be filed, but, it should have been filed within 120 days, in terms of the Commercial Courts Act, 2015. That apart, when the plea of counter-claim is made, an Application should have been made or right to file Additional Written Statement should have been reserved in the main Written Statement itself.

15. Learned counsel appearing for the Respondents/Plaintiffs strenuously contended that even assuming that the Applicant/Defendant is empowered to file Additional Written Statement that contains counter-claim, it should have been done within the outer time limit of 120 days. According to the learned counsel, Rule 6B of Order VIII C.P.C. may not be helpful to the Defendant, as it categorically states that there should have been a plea in the original Written Statement that Additional Written Statement may be filed and only in such case, this Court can entertain filing of Additional Written

16. Learned counsel for the Respondents/Plaintiffs went on to submit that Rule 9 of Order VIII referred to by the Applicant/Defendant has two parts. The second part of Rule 9 may not be applicable to the facts of this case, as the Court has not called upon the Applicant/Defendant to file Written Statement or Additional Written Statement. Insofar as the first part is concerned, it is no doubt true that it is open to the Applicant/Defendant to take defence to set-off or counter claim with the leave of this Court, upon such terms, as the Court may think fit. As the outer time limit of 120 days to accept the legal plea has lapsed, no other factual plea can be taken. He further submitted that the original Written Statement filed by the Applicant/Defendant did not contain any reservation of his right to file a counter-claim, as it will have to be treated as a plaint in terms of Rule 6A(4) of Order VIII C.P.C. In this case, the claim of the Applicant/Defendant has to be rejected in terms of Order VII Rule 11 C.P.C., which pertains to Rejection of Plaint.

17. Learned counsel drew the attention of this Court to the judgment and decree dated 31.07.2015 made in C.S.No.329 of 2015 and submitted that the said Suit was decreed in favour of the Plaintiffs therein in view of the

Undertaking given by the Defendant therein, who is none other than the

Defendant in the present case. He also stated that Compromise decree should be taken in terms of Order XXIII Rule 3 C.P.C. and taking note of the voluntary statement made by the Defendant herein in the said Suit, he is not entitled to the claim made in the present Application. That being the case, as long as Commercial Courts Act, 2015 is in operation, even assuming that there are erroneous statements made by the Applicant/Defendant, the plea of the Applicant/Defendant in the present Application shall remain *resjudicata* and in terms of Section 11 C.P.C., the plea of the Defendant to file Additional Written Statement with counter-claim, has to be rejected.

18. To substantiate his stand, learned counsel appearing for the Respondents/Plaintiffs has relied on the following:

(i) an Apex Court decision in the case of **Raja Sri Sailendra Narayan Bhanja Deo vs. State of Orissa** reported in **AIR 1956 SC 346**

“8. The plea of estoppel is sought to be founded on the compromise decree, Ex. ‘O’ passed by the Patna High Court on 2nd May, 1945 in FA, No. 15 of 1941. The compromise decree is utilised in the first place as creating an estoppel by judgment. In *In re, South American and Mexican Company, Ex parte Bank of England* [LR (1895) 1 Ch. 37] it has been held that a judgment by consent or default is as effective an estoppel between the parties as a judgment whereby the court exercises its mind on a contested case. Upholding the judgment of Vaughan Williams, J., Lord Herschell said at p. 50—

“The truth is, a judgment by consent is intended to put a stop to litigation between the parties just as much as is a judgment which results from the decision of the court after the matter has been fought out to the end. And I think it would be very mischievous if one were not to give a fair and reasonable interpretation to such judgments, and were to allow questions that were really involved in the action to be fought over again in a subsequent action.”

(ii) a Delhi High Court decision in the case of **Dabur India Limited vs. Amit Jain** reported in **2009 (107) DRJ 17 (DB)**

“16. If the Respondent's plea were to be accepted it will render meaningless the undertaking given earlier by Amit Jain to this Court whereby he accepted the novelty of the Plaintiff's design and the registration granted to the Plaintiff in respect thereof. There can be no denial of the fact that Amit Jain is a common Defendant to both Suits and he is the proprietor of both the concerns namely Vinayak Industries, Defendant No.2 in Suit No. 1699 of 2005 and V.N. Cosmetics, Defendant No.2 in the present Suit No. 314 of 2007. We are therefore not impressed at all with the plea of the Respondent that what it is using now is different from the bottle in respect of which the compromise was entered into between the parties and the registration was held by the Plaintiff.

20. The next plea to be considered is whether the Plaintiff's design was of sufficient novelty for the grant of registration. This Court notices that this plea is no longer available to be taken after the compromise order arrived at in the earlier suit

between the same parties. Likewise, the plea now raised that there cannot be a separate registration in respect of a cap since it is by itself marketable is also not available to the Defendant to raise.”

(iii) a decision of the High Court of Telangana and Andhra Pradesh in the case of **Bristol-Myers Squibb Holdings, Ireland vs. Mylan Laboratories Limited** reported in **2015 (1) ALT 4**

“9. He further contended that the appellant cannot make efforts to gain access to the respondent's factory premises to obtain a sample of the intermediates or in the absence of the respondent disclosing any information, purchase it from the respondent's so called supplier. He further contends that the appellant has established a prima facie case for infringement of the suit patents without a challenge to the validity of the suit patents and hence the respondent's reliance on F.Hoffman – La Roche Ltd. & another vs. Cipla Ltd. MANU/DE/0381/2009; Natural Remedies Pvt. Ltd. V. Indian Herbs Research & Supply Co. Ltd.; Vringo Infrastructure Inc. v. Indiamart InterMesh Ltd; and Franz Xaver Huemer vs. New Yash Engineers regarding burden of proof, irreparable harm and balance of convenience is of no use.

In all the cited cases, the defendants therein had raised a credible challenge to the validity of the patents in question and hence an injunction was refused. In the present case, let alone challenging the validity of the suit patents, the respondent has in fact acknowledged their validity by seeking a licence and subsequently entering into Immunity from Suit Arrangement with the appellant. The respondent, is therefore, estopped from challenging validity of the suit patents.”

19. Heard Mr.T.K.Ramkumar and Mr.R.S.Varadarajan, learned counsel appearing for the Applicant/Defendant and Mr.Hemant Singh, learned counsel assisted by Ms.Mamta Jha, learned counsel leading Mr.Arun C.Mohan, learned counsel appearing for the Respondents/Plaintiffs.

20. Before deciding the issue on hand, relevant provisions of the Code of Civil Procedure are extracted hereunder:

Order VII Rule 11:

Rejection of plaint— The plaint shall be rejected in the following cases:—

(a) where it does not disclose a cause of action;

(b) where the relief claimed is undervalued, and the plaintiff, on being required by the Court to correct the valuation within a time to be fixed by the Court, fails to do so;

(c) where the relief claimed is properly valued, but the plaint is returned upon paper insufficiently stamped, and the plaintiff, on being required by the Court to supply the requisite stamp-paper within a time to be fixed by the Court, fails to do so;

(d) where the suit appears from the statement in the plaint to be barred by any law :

[Provided that the time fixed by the Court for the correction of the valuation or supplying of the requisite stamp-paper shall not be extended unless the Court, for reasons to be recorded, is satisfied that

the plaintiff was prevented by any cause of an exceptional nature from correcting the valuation or supplying the requisite stamp-paper, as the case may be, within the time fixed by the Court and that refusal to extend such time would cause grave injustice to the plaintiff.]

Order VIII Rule 1:

Rule 1: 1. Written Statement—The defendant shall, at or before the first hearing or within such time as the Court may permit, present a written statement of his defence.

[(2) Save as otherwise provided in rule 8A, where the defendant relies on any document (whether or not in his possession or power) in support of his defence or claim for set-off or counter claim, he shall enter such documents in a list, and shall, —

(a) If a written statement is presented, annex the list to the written statement :

Provided that where the defendant, in his written statement, claims a set-off or makes a counter-claim based on a document in his possession or power, he shall produce it in Court at the time of presentation of the written statement and shall at the same time deliver the document or copy thereof to be filed with the written statement;

(b) If a written statement is not presented, present the list to the Court at the first hearing of the suit.

(3) Where any such document is not in the possession or power of the defendant, he shall, wherever possible, state in whose possession or power it is.

(4) If no such list is so annexed or presented, the defendant shall be allowed such further period for the purpose as the Court may think fit.

(5) A document which ought to be entered in the list referred to in sub-rule (2), and which is not so entered, shall not, without the leave of the Court, be received in evidence on behalf of the defendant at the hearing of the suit.

(6) Nothing in sub-rule (5) shall apply to documents produced for the cross-examination of plaintiff's witnesses or in answer to any case set up by the plaintiff subsequent to the filing of the plaint, or handed over to a witness merely to refresh his memory.

(7) Where a Court grants leave under sub-rule (5), it shall record its reasons for so doing and no such leave shall be granted unless good cause is shown to the satisfaction of the Court for the non-entry of the document in the list referred to in sub-rule (2).]

Order VIII Rule 6A :

[6A. Counter-claim by defendant—

(1) A defendant in a suit may, in addition to his right of pleading a set-off under rule 6, set up, by way of counter-claim against the claim of the plaintiff, any right or claim in respect of a cause of action accruing to the defendant against the plaintiff either before or after the filing of the suit but before the defendant has delivered his defence or before the time limited for delivering his defence has expired. whether such counter-claim is in the nature of a claim for damages or not :

Provided that such counter-claim shall not exceed the pecuniary limits of the jurisdiction of the Court.

(2) Such counter-claim shall have the same effect as a cross-suit so as to enable the Court to pronounce a final judgment in the same suit, both on the original claim and on the counter-claim.

(3) The plaintiff shall be at liberty to file a written statement in answer to the counter-claim of the defendant within such period as may be fixed by the Court.

(4) The counter-claim shall be treated as a plaint and governed by the rules applicable to plaints.

6B. Counter-claim to be stated—

Where any defendant seeks to rely upon any ground as supporting a right of counter-claim, he shall, in his written statement, state specifically that he does so by way of counter-claim.

Rule 9. Subsequent pleadings—

No pleading subsequent to the written statement of a defendant other than by way of defence to a set-off [155][or counter-claim] shall be presented except by the leave of the Court and upon such terms as the Court thinks fit, but the Court may at any time require a written statement or additional written statement from any of the parties and fix a time for presenting the same.

21. Though the learned counsel for the Applicant/Defendant had referred to some of the factual aspects touching upon the merits of the matter, this Court is not inclined to rely on the same, as no finding is rendered in the pending Suit.

22. The Patent Application No.09/209,068, dated 10.12.1998, which is stated to be pending before the Court at U.S.A. is said to have been abandoned. Whether it has been abandoned or not cannot be gone into the present Application, as the judgment and decree rendered in C.S.No.329 of 2015 (referred to supra) has ended against the Defendant herein, in view of the undertaking as to compromise given by him.

23. Rule 1 of Order VIII C.P.C. makes it very clear that Written Statement has to be filed within the time stipulated therein. That apart, provisions of Commercial Courts Act, 2015 are very specific that Written Statement has to be filed within 30 days from the date of service of Suit Summons and that additional period of 90 days is given under the Act to enable the Defendant to file Written Statement with the leave of this Court.

WEB COPY

24. In paragraph 8 of the decision rendered in **Raja Sri Sailendra Narayan Bhanja Deo's** case (cited supra), the Apex Court has categorically held that the rights which flow from the statutory provisions are not prohibited. But, in this case, the Applicant/Defendant has not reserved his right to take a counter-claim in the Written Statement. As could be seen from

Rule 6B of Order VIII C.P.C., the Defendant should have reserved his right in the Written Statement to file additional Written Statement with counter-claim. However, the same has to be done within the outer time limit of 120 days.

25. The outer time limit prescribed under Order VIII of the Commercial Courts Act, 2015, for filing Written Statement is 120 days and it cannot be brushed aside. A legal plea can be raised with or without Written Statement. However, a factual plea cannot be made so. In this case, the Applicant/Defendant is out of time in making a counter-claim apart from the fact that he has not reserved his right to file an Additional Written Statement in terms of Order VIII Rule 9 C.P.C. It is left to the discretion of the Court to accept the same and that discretion has also been taken away by the Apex Court as could be seen from the decision rendered in **Raja Sri Sailendra Narayan Bhanja Deo's** case (cited supra) and the matter falls within the jurisdiction of the Commercial Court.

26. That apart, in terms of Order XXIII Rule 3 C.P.C. as extracted supra, this Court, vide judgment dated 31.07.2015 rendered in C.S.No.329 of 2015 has decreed the Suit based on the undertaking given by the Defendant therein and certainly, the said Decree is not a Compromise decree. It is true

that there cannot be any estoppel against the Statute. In the case on hand, the Applicant/Defendant has no statutory right to file additional Written Statement.

27. Though, it has been stated that counter-claim can be made, this Court is of the view that it is open to the Applicant/Defendant to approach the Court for recalling the judgment and decree dated 31.07.2015 made in C.S.No.329 of 2015. That apart, if any judgment and decree is obtained by fraud, there is no limitation and it is open to the aggrieved party to approach the Court and the question of limitation may not be applicable at all.

28. But, in the case on hand, there is a hurdle to the Applicant/Defendant for filing a fresh case as long as the judgment and decree rendered in C.S.No.329 of 2015 is in force apart from the fact that Section 11 C.P.C. is staring at his face. The reason is that the judgment and decree rendered in C.S.No.329 of 2015 is operating against him apart from the fact that there is an issue of estoppel hit by resjudicata. Unless the judgment and decree rendered by this Court in C.S.No.329 of 2015 is recalled or set at naught, the Applicant/Defendant cannot make any claim muchless counter-claim.

In view of the foregoing, **this Application stands dismissed.**

Sd./-S.V.N.J

12.07.2019

//Certified to be true copy//
Dated at Madras this the day of 2020.

JJ 19/03/2020

COURT OFFICER(O.S.)

From 25th day of September 2008 the Registry is issuing certified copies of the Orders/Judgments/Decrees in this format.



WEB COPY