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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **C.O.(COMM.IPD-PAT) 1/2024 & I.As. 601/2024, 29567/2024**
BDR PHARMACEUTICALS INTERNATIONAL PVT LTD

..... Petitioner
Through: Mr. Parag P. Tripathi, Senior
Advocate with Ms. Garima Joshi,
Mr. Srinivas, Mr. Rajeshwari
Hariharan, Advocates.

versus

KUDOS PHARMACEUTICALS LIMITED & ANR.

..... Respondents

Through: Mr. Pravin Anand, Ms. Vaishali
Mittal, Mr. Siddhant Chamola,
Mr. Shivang Sharma and
Mr. Gursimran Singh Narula,
Advocates.

+ **CS(COMM) 34/2024 & I.As. 743-744/2024, 747/2024, 30098/2024**
KUDOS PHARMACEUTICALS LIMITED & ORS. Plaintiffs

Through: Mr. Pravin Anand, Ms. Vaishali
Mittal, Mr. Siddhant Chamola,
Mr. Shivang Sharma and
Mr. Gursimran Singh Narula,
Advocates.

versus

BDR PHARMACEUTICALS INTL PVT LTD Defendant

Through: Mr. Parag P. Tripathi, Senior
Advocate with Ms. Garima Joshi,
Mr. Srinivas, Mr. Rajeshwari
Hariharan, Advocates.



CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

ORDER

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25.09.2024

I.A. 742/2024 in CS(COMM) 34/2024 (under Order XXXIX Rules 1 & 2 of CPC) and I.A. 40208/2024 in CS(COMM) 34/2024(u/S 151 of CPC on behalf of Plaintiffs seeking directions)

1. The present suit pertains to the Plaintiffs' patent, Indian Patent No. IN 228720¹, for the compound 'Olaparib', marketed under the brand name 'LYNPARZA'. Pending final adjudication of the suit, the Plaintiff, through the above-captioned interlocutory application, seeks a temporary injunction restraining the Defendant from directly or indirectly dealing in products containing the compound Olaparib, its pharmaceutically acceptable salts, finished formulations, or any other product that infringes the subject matter of IN'720. Additionally, the Plaintiff through I.A. 40208/2024, seeks an order directing the Defendant to deposit the entire amount of revenues earned through the manufacturing and sale of Olaparib (BDPARP) in India, from the date of first manufacturing until the expiry of the suit patent on 12th March, 2024, with this Court.

2. The suit was instituted when the term of the patent was nearing its end, with only two months remaining. Nonetheless, efforts were made to expedite the hearing and decision on the application, as reflected in the order dated 11th March, 2024, which reads as follows:

"1. When the Plaintiff filed the present suit on 12th January, 2024, the suit patent IN 228720 ["IN'720"] was nearing the end of its term, with barely two months remaining. Recognizing the urgency, the Court

¹ "IN'720"



endeavoured to expeditiously conclude hearing the instant injunction application. However, despite the diligent efforts of the counsel, it has not been feasible to wrap up the hearing within the anticipated timeframe. Thus, as we stand on the brink of the term of IN'720, which is set to expire tomorrow, a critical question emerges: should the Court persist in adjudicating this application for an injunction given the patent's imminent expiration, and if so, what form of relief, if any, could reasonably be granted to the Plaintiff should they prevail?

2. *Before arriving at any conclusions, it is pertinent to acknowledge that the matter concerning the looming expiration of IN'720 has been a subject of discussion in prior hearings as well. The decision to continue with the hearings was initially made pursuant to an argument made by Mr. Pravin Anand, counsel for the Plaintiff, whereby he urged that aside from the immediate relief sought, the instant case raises a significant legal question for this Court's consideration — warranting the differentiation between the concepts of coverage and disclosure within patent law, specifically whether a species patent that falls under the umbrella of a genus patent could be deemed invalid under Section 53(4) of the Patents Act, 1970. Mr. Anand suggests that this proposition extends beyond the injunctive relief sought in the current scenario, touching upon broader interpretative issues that could have broad-ranging implications for patent law jurisprudence.*

3. *Mr. Anand brings to the Court's attention that there currently exists divergent viewpoints within this Court's jurisprudence regarding the aforementioned proposition of law. There are a series of judgments in favour of the interpretation advanced by Mr. Anand², whereas a contra view has rendered in the line of judgments including **Boehringer**³ and **Bayer v. Natco**⁴. Additionally, Mr. Anand submits that the ruling of the Supreme Court in **Novartis AG v. Union of India**⁵ has been considered and clarified by this Court in, inter alia, **FMC v. Natco**, **AstraZeneca AB v. Torrent** and **Novartis AG & Anr. v. Natco**.*

4. *In the above background, Mr. Anand places reliance on the recent decision in **Kudos Pharmaceuticals Limited & Ors. v. Natco Pharma Limited**⁶. This case, adjudicated by a coordinate Bench of this Court, pertained to the same suit patent IN'720 in the context of a similar set of facts as the present case. The Bench therein ruled in favour of the*

² Reliance is placed on, inter alia, **AstraZeneca AB v. Emcure Pharmaceuticals Ltd.** (2020); **AstraZeneca AB v. Torrent Pharmaceuticals Ltd.** (2020); **FMC v. Natco** (2021); **Novartis v. Natco** (2021); **Novartis v. Natco** (2023); **Pharmacyclics v. Hetero Labs** (2023).

³ **Boehringer Ingelheim Pharma & Ors. v. Vee Excel Drugs & Ors.**, MANU/DE/2179/2023

⁴ **Bayer Healthcare LLC v. Natco Pharma Limited**, MANU/DE/4260/2023

⁵ **Novartis AG v. Union of India & Ors.**, MANU/SC/0281/2013

⁶ Judgment dated 1st March, 2024 in CS(COMM) 29/2023; DHC Neutral Citation No. – 2024:DHC:1716



Plaintiff, reinforcing the position Mr. Anand advances in the present application.

5. Furthermore, regarding the issue of relief to be granted, Mr. Anand draws attention to the decision in **Vifor (International) Limited & Anr. v. MSN Laboratories Pvt. Ltd. & Anr.**⁷, wherein the Division Bench has made pertinently observed that even when a patent expires, the Court retains the discretion to direct the Defendant to make deposits in the Court. This particular ruling, Mr. Anand points out, sets a precedent that allows this Court flexibility in shaping the relief to be granted, notwithstanding the patent's expiry status. Moreover, Mr. Anand emphasises the alleged misconduct of the Defendant, accusing them of initiating the launch of their product prior to the expiration of IN'720, thereby flagrantly breaching the Plaintiff's patent rights. Given this context of purported wrongdoing, Mr. Anand argues that it would be appropriate for this Court to order such a deposit as a form of remedial action.

6. Mr. Parag P. Tripathi, Senior Counsel for the Defendant, on the other hand states that since there are two different views taken by the Courts, as pointed out by Mr. Anand, this Court's decision would necessarily align with one of the two lines of reasoning. Thus, it would be futile for this Court to proceed any further in the present matter as it would ultimately fall upon the Division Bench to settle the position of law, as an appeal has been filed against the aforementioned order in **Kudos (supra)**. Mr. Tripathi anticipates that pharmaceutical companies, which stand to be impacted by these conflicting judicial interpretations, are likely to seek intervention from the Court for a decisive resolution on the matter. Furthermore, Mr. Tripathi states that the Defendant is also considering approaching the Division Bench so that the instant proceedings can also be tagged along with the aforementioned appeal proceedings.

7. In the opinion of the Court, while the parties are at liberty to take steps in terms of the aforementioned submissions, considering the fact that the Court has already substantially heard arguments in the instant application, the Court finds it apposite to conclude hearing the instant application.

8. Accordingly, Mr. Anand has proceeded to complete his rejoinder submissions. However, Mr. Tripathi states that since the recent decision in **Kudos (supra)** has been substantially relied on by Mr. Anand, he should be afforded 15-20 minutes for addressing the same."

⁷ See Paragraph No. 184 in judgment dated 7th February, 2024 in FAO(OS)(COMM) 159/2023; DHC Neutral Citation No. – 2024:DHC:878-DB



3. Despite the Court's best efforts, it has not been possible to conclude the arguments in the present application. In the meantime, the suit patent expired on 12th March, 2024. Consequently, the primary relief of an injunction can no longer be granted. Regarding the legal questions raised, several interlocutory orders have been passed by the co-ordinate Benches of this Court. Furthermore, as noted in the above-extracted order, a coordinate Bench of this Court has passed a detailed judgment in ***Kudos Pharmaceuticals Limited & Ors. v. Natco Pharma Limited***.⁸, which involved the same suit patent, IN'720, in a similar factual context. In that case, the Court ruled in favour of the Plaintiff. However, the judgment is presently under appeal before the Division Bench, and the outcome of that appeal is likely to more definitively resolve the legal questions raised in the present proceedings.

4. In light of the above, the Court is of the opinion that there is no reason to continue hearing the present application for the grant of an injunction, given that the suit patent has expired and the relief sought can no longer be granted in favour of the Plaintiff. Additionally, any opinion expressed by the Court when adjudicating under Order XXXIX Rules 1 & 2 of the Code of Civil Procedure, 1908 (CPC), would only be *prima facie* in nature. Consequently, the findings of this Court on the legal issues raised by counsel, which would necessarily involve factual considerations, would remain tentative and would not bind the parties at the stage of final adjudication after the conclusion of trial. In these circumstances, the Court has inquired whether the counsel for the parties would instead be amenable

⁸ Judgment dated 1st March 2024, in CS(COMM) 23/2023; Neutral Citation No. – 2024:DHC:1716



to an expedited trial.

5. Both, Mr. Pravin Anand, counsel for Plaintiff, and Mr. Parag P. Tripathi, Senior Counsel for Defendant, have indicated that such a course of action is acceptable to them. However, Mr. Anand nonetheless reiterates his request, as recorded in the aforementioned order, for directions to the Defendant to deposit the total amount of proceeds earned, until the date of expiry of the suit patent, from the manufacture and sale of the allegedly infringing products. In this regard, he places reliance on the judgment in *Vifor (International) Limited & Anr. v. MSN Laboratories Pvt. Ltd. & Anr.*⁹, wherein the Division Bench of this Court had directed the Single Bench to consider the relief of deposit even after the expiration of a patent.

6. Mr. Parag P. Tripathi, Senior Counsel for the Defendant, asserts that the Defendant has a strong case, both on facts and in law, and therefore, the directions for the deposit of the proceeds are unwarranted at this stage. He emphasizes that the Defendant is a well-established company with significant credibility, and there is no imminent risk of non-compliance or dissipation of funds. Such directions, he argues, should only be issued if and when the Defendant is found liable for infringing the suit patent after conclusion of the trial. Nevertheless, responding to the Court's query, Mr. Tripathi, on instructions, has disclosed that the proceeds from the sale of the impugned product, from the date of its launch until the expiration of the suit patent, amount to approximately INR 2.5 crores. He maintains, however, that this disclosure does not imply any admission of liability or wrongdoing and that the Defendant reserves all rights to contest the claim on both legal

⁹ Judgment dated 7th February, 2024 in FAO(OS)(COMM) 159/2023; Neutral Citation No. – 2024:DHC:878-DB



and factual grounds.

7. In light of the above developments, the present application is disposed of with the following directions:

7.1. The Defendant is directed to file an affidavit disclosing the complete details of earnings generated from the sale of the impugned product from the date of its launch until the expiry of the suit patent on 12th March, 2024. This disclosure will enable the Court to assess the quantum of damages that may be granted at the final stage, should the Plaintiff succeed in the suit.

7.2. Given the peculiar facts and circumstances of this case, and the fact that the suit patent has already expired, the Court does not deem it necessary at this juncture to direct an immediate deposit of the entire sale proceeds in Court. Such a direction may cause unnecessary financial strain and disruption to the Defendant's operations. However, to safeguard the Plaintiff's potential claims and ensure that funds are available if the Defendant is ultimately found liable for patent infringement, the Defendant is directed to earmark 20% of the net value of the sales generated from the impugned product in a No Lien account in their own books of accounts. The Defendant shall not utilize this amount during the pendency of the present proceedings, and the Court shall consider further directions for the appropriation or release of this amount at the stage of final adjudication, based on the findings after the trial.

8. It is clarified that the aforementioned direction is issued within the context of the specific facts and circumstances of the present case, as detailed in this order and the order dated 11th March, 2024. The Court has refrained from commenting on the merits of the contentions raised by the parties, and this direction shall not be interpreted as a finding of



infringement on the part of the Defendant. The question of infringement and liability of the Defendant, if any, remains to be adjudicated at the final stage of the proceedings.

9. Disposed of.

CS(COMM) 34/2024 & C.O.(COMM.IPD-PAT) 1/2024

10. In light of the order passed in I.A. 742/2024 in CS(COMM) 34/2024, the present matters are removed from the category of '*Part-Heard*'.

11. List before the Roster Bench on 22nd October, 2024, for framing of issues and fixing the timelines for expedited trial.

12. On the said date, the parties shall carry their proposed list of issues, with copies thereof supplied to the counsel for the other side.

SANJEEV NARULA, J

SEPTEMBER 25, 2024

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