

729

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

WRIT PETITION (C) NO. 5590 OF 2015

**IN THE MATTER OF:**

SHAMNAD BASHEER

... PETITIONER

VERSUS

UNION OF INDIA & OTHERS

...RESPONDENTS

*D.O.H. :- 08-02-2016*

**INDEX**

S. No.	Particulars	Page Nos.
1.	Reply on behalf of Respondent No. 4	1-16
2.	<b>Annexure R-4/1:</b> True copy of the certificate of registration issued to the Applicant	17
3.	<b>Annexure R-4/2:</b> True copy of the resume of the Applicant	18-20
4.	<b>Annexure R-4/3:</b> True copy of a sample cross-licensing Agreement, being one executed between Advanced Micro-Devices Inc. and Broadcom Corporation	21-41
5.	<b>Annexure R-4/4:</b> True copy of the order dated 14 <sup>th</sup> September 2012, in MP 74-76/2012 & 108/2012 in OA/35/2012/PT/MUM	42-64
6.	<b>Annexure R-4/5:</b> True copy of relevant extracts of the report and the clauses in the draft bill	65-72
7.	<b>ANNEXURE R-4/6:</b> True copy of Rule 117 of the Patent Rules, 1972 and Form 58 prescribed thereunder	73-74
8.	<b>ANNEXURE R-4/7:</b> True copy of submission dated 25 <sup>th</sup> November 2015	75-84

Place: New Delhi  
Date: 05/02/2016

Through:

*M. Narayan*

M/s Keystone Partners,  
Advocates & Solicitors,  
B-126, Sarvodaya Enclave,  
New Delhi 110 017  
Ph: +91 99711 16183

730

IN THE HIGH COURT OF DELHI AT NEW DELHI  
WRIT PETITION (C) NO. 5590 OF 2015

IN THE MATTER OF:

SHAMNAD BASHEER

... PETITIONER

VERSUS

UNION OF INDIA & OTHERS

...RESPONDENTS

**REPLY ON BEHALF OF RESPONDENT NO. 4**

Mr. Narendra Reddy Thappeta, Intervenor/Respondent No. 4 in the present writ petition respectfully submits as follows:

1. That the present writ petition has been filed in public interest, seeking *inter alia* writ of mandamus or other appropriate writ or order, directing the Respondents No. 1 to 3 to ensure strict compliance with Section 146 (2) of the Patents Act, 1970, read with Rule 131(1) of the Patent Rules, and further for directions to be issued directing initiation of penal proceedings under Section 122(1) of the Patents Act, 1970 against errant patentees and licensees. It is submitted that the prayers and directions sought in the present writ petition have far reaching consequences in respect of the interpretation and operation of the Patent Act, 1970 and the Patent Rules, 2003.
2. It is submitted that Respondent No. 4 is a registered Patent Agent of more than 14 years standing, having qualified to act as Patent Agent

2731

under the Patents Act, 1970 as far back as in 2001. True copy of the certificate of registration issued to Respondent No. 4 herein is annexed hereto as ANNEXURE R-4/1. Following this, Respondent No. 4 has practiced as a patent agent and has had the experience of filing and prosecuting over 1000 patent applications before the Indian patent office, as well as over 500 patent applications before the US Patent Office, primarily in the field of computer and software related inventions. It is submitted that even prior to this, Respondent No. 4 had worked in various capacities in the intellectual property law practices of prominent law firms and technology companies, wherein he was involved in the preparation and prosecution of patent applications. Respondent No. 4 has over 23 years' experience in patent law relating to a range of information and communications technology innovations. A true copy of the résumé of Respondent No. 4 is annexed hereto as ANNEXURE R-4/2.

3. It is submitted that in light of the wide reaching ramifications of the reliefs sought for in this petition and the potential impact on a wide spectrum of innovation, the Respondent No. 4 herein had filed CM No. 27021/2015 in the present proceedings, seeking permission to intervene and place on record some material facts that had not been considered in the writ petition, to provide an alternative perspective, to enable this Hon'ble Court to take into account all aspects when passing orders in this case. This Hon'ble Court allowed the present Respondent No. 4's application for intervention vide Order dated

3732

17<sup>th</sup> November 2015 passed in the present proceedings. Pursuant thereto, the present reply is being filed.

4. It is submitted that the present writ petition *inter alia* seeks issuance of a writ of mandamus to the statutory authorities, directing them to ensure strict compliance with the filing requirements under Section 146 (2) of the Patent Act, 1970 and Rule 131 (1) of the Patent Rules, 2003, and for directions for initiation of action for imposition of penalty under Section 122(1)(b) of the Patent Act, 1970 in case of non-compliances. It is further argued that Form 27, prescribed under Rule 131 (1) of the Patent Rules, 2003 has not been completely filled up in several cases, and that submission of such incomplete forms are 'defective compliances' that also constitute a violation of the provisions of the Patent Act, thereby attracting a penalty under Section 122.

#### **PRELIMINARY SUBMISSIONS**

5. **A mandamus may not be issued granting sweeping, blanket directions for launch of criminal prosecutions:** It is pertinent to note that the Patents Act, 1970 does not provide any prescribed procedure for the imposition of penalties under Section 122, or indeed, in relation to any other section in Chapter XX of the Act, pertaining to Penalties. In case of any offence under Chapter XX of the Patents Act, 1970, including Section 122, it appears that the Controller of Patents must resort to the general procedure under the

4733

Code of Criminal Procedure, 1973 (hereinafter 'the CrPC'), and file a complaint before the jurisdictional magistrate under Section 200 of the CrPC, seeking prosecution for the commission of the particular offence. The offence being punishable with fine alone, it is non-cognizable and bailable in terms of Part II of the First Schedule to the CrPC. Further, by virtue of Section 468 of the Code of Criminal Procedure, 1908, the limitation for launch of prosecution would be 6 months from the date of commission of the offence. Therefore, in essence, the Petitioner in the present petition is seeking a blanket direction to the Respondents, for launch of multiple criminal prosecutions against a whole host of unidentified patentees and licensees, for non-compliance with the provision under Section 146, possibly in respect of several different years – each instance of non-compliance being a distinct and separate offence – much of which is likely to be barred by limitation. It is submitted that such blanket directions ought not to be granted by this Hon'ble Court in exercise of its powers under Article 226 of the Constitution and a mandamus in this regard ought not to be issued. It is well settled that the issuance of such blanket directions is untenable in law. Further, it is likely that such sweeping, blanket directions would also have the effect of taking away the jurisdiction of a magistrate to take, or refuse to take, cognizance in a given case, by independently having regard to the particular facts before him. On this ground alone, it is humbly submitted that the relief in prayer 1(i) and 1(ii) of the present writ petition are untenable and liable to be rejected.

S 734

6. Format of Form 27: It is further submitted that it is often practically quite challenging, if not close to impossible, to answer the general questions of Form 27 in respect of all types of inventions and that all the data/information that may be available in the context of pharmaceutical inventions may not necessarily be available in the same manner in respect of patents in many sectors related to information and communications technology, for instance. It is for this reason, recognizing this difficulty in obtaining standardized data in respect of widely varying types of inventions, that the Form 27 itself stipulates that details be given where available. It is also for this reason that all fields are not made mandatory in the online form. It is submitted that in these circumstances, the law allows patentees the flexibility of providing information, wherever available. In these circumstances, given that the Form itself indicates that available information be provided, the Petitioner's argument that all the information on the form is mandatory and that failure to disclose all the information would automatically entail prosecution and penalty under Section 122 is misconceived and untenable. Section 122 being a penal provision, is required to be strictly interpreted. Form 27 itself stipulates that information may be filed where available and therefore non-filing of any information cannot result in a breach of Section 146. In any event, even if the filing is assumed to be defective, it cannot result in a penal consequence under Section 122, given the wording of the Form.

2735

**Practical Difficulties**

7. It is submitted that Respondent No. 4 who practices as a patent agent with particular experience and expertise in electronic circuits, telecommunications and software/computer systems (together referred to as 'information and communication technologies'), has personal experience with the challenges and difficulties in trying to complete Form 27. It is submitted that Respondent No. 4, in some cases, has had to repeatedly seek instructions and clarifications on how to approach the form in particular cases and in such instances, the Patent Office has on occasion, also expressed its helplessness.

The reasons for the challenges are explained herein after.

8. An end product such as a computer or iPad from Apple Corporation may be covered by several hundreds (if not a few thousands) of patents, contrasted with a pharmaceutical drug which may be covered by a single or very few patents.

9. The manner of production of related products also differs from that in pharmaceutical industry. A fully operational personal computer may have various components produced by different businesses, specializing in corresponding domains. The component manufacturers may in turn rely on smaller specialists for specialized sub-components. Relationships of these companies are often global and cross-licensing deals are often of global scope for many patentees given the global nature of the markets, which implies the patentees of components or sub-components may not always have

A 736

control or visibility into where all products covered by their patent are being sold.

10. Software, an integral component of many end products in information and communications technology, is possibly most fluid (among various components of information and communication technology products) and finds its path into the market place in many more ways compared to pharmaceutical products. For example, software covering a patented feature may be shipped along with a computer or optionally downloaded by users from the world-wide-web (e.g., cloud), possibly many times on an as needed basis to any of several devices (smart phones, IPAD, desk-top computer) by a single user/person/user account. In these circumstances, it is not always possible to provide all the details listed out in Form 27. The above concerns vis-à-vis the information sought in Form 27 is elaborated as follows:

- i. Quantum ... of the patented product: Consider the case of a component or sub-component patentee having business reason to protect 100 aspects by corresponding patents globally. The patentee may secure patent protection of many of these 100 aspects in different countries globally, and it is assumed only 60 of those patents are secured in India. When the patentee enters a global cross license agreement, s/he may not require the licensees to provide a matrix of

8737

number of units manufactured covering each individual patent in individual countries. A true copy of a sample cross-licensing Agreement, being one executed between Advanced Micro-Devices Inc. and Broadcom Corporation is annexed hereto, by way of illustration, as ANNEXURE R-4/3. In addition, by virtue of intermediate sales (some possibly outside India), etc., the patented product (as a larger system encompassing the patentee's components) may reach Indian markets via third parties having no direct licensee/sub-licensee relationship with the patentee. The patentee may accordingly not have control, relationship or visibility over all such channels, other than general knowledge that his/her invention is in fact being worked/sold on a commercial scale in India. The imported/worked quantum there would be unknown (or not available). Furthermore, when a patent covers a 'method' implemented in a server system provided by the patentee and accessible over the Internet world-wide, the question as to quantum is vague because the method does not produce any units, the number of users who can use the invention on the Internet is unlimited and any number of copies of the software can be executing to serve a large number of users.

9738

ii. Value of the patented product: For example, an IPAD may cost about Rupees Fifty Thousand. It comprises both hardware and software. The entire software is usually of the order of a few gigabytes of data, with the auto-lock feature (a patented invention covered by India Patent No. 263108) being about a few KB of the overall data. The auto-lock feature is not subject to FRAND, etc., and thus there is no established market value for the auto-lock feature in isolation. Similar challenge on value can be presented for many small components covered by respective patents, but implemented and sold in a larger system.

iii. Manufactured in India: In a software context, the term 'manufacture' does not really have a place or significance. Teams involved in product development often span borders of several countries. The software itself could be pre-loaded onto a hardware that is manufactured outside India and thereafter imported, distributed in a variety of channels, or directly downloaded from Internet.

iv. Public requirement adequately met, at a reasonable price: The Writ Petition itself acknowledges that this stipulation in the Form 27 is a vague and broad stipulation. Especially in the context of information and

10-739

communication technologies, where the subject matter of any single patent typically adds a marginal value and the end product can in most circumstances be implemented without such single patent, the public's needs could easily be delivered through slightly inferior models which do not have the patented feature of such a single patent. In these circumstances, it may not be possible to assess this demand for individual patents, and in any event, there may be no underlying policy imperative served in attempting to assess this aspect. In respect of individual components that are packaged into a larger, composite product, it would not be possible to identify public demand for the patented item separately or to give any meaningful answer to this query.

11. **Compulsory Licensing not impeded:** It is submitted that the leap of argument in the writ petition, to the effect that compulsory licenses will follow in the event of a failure to work a patented invention, and that these provisions would come to naught if the patent working information is not made available, is misplaced. For the grant of compulsory licenses, it is pointed out that under Section 84(6), the Controller must also have regard to the very nature of the invention, the time that has lapsed since the sealing of the patent, the ability of the applicant seeking compulsory license to work the invention itself, to the advantage of the public, and to provide capital for this

790

purpose, and the efforts put in by the applicant to seek a license from the patentee on reasonable terms and conditions. The IPAB, in its decision in *Bayer Corporation v. Union of India & Ors*, Order No.223/2012 noted that compulsory licensing traditionally applied to the space of medicines, given public health and public interest concerns, and that computers type high technology innovations may not typically fall within the ambit of the compulsory licensing provisions. True copy of the said order dated 14th September 2012, in MP 74-76/2012 & 108/2012 in OA/35/2012/PT/MUM is annexed hereto as ANNEXURE R-4/4. In fact, in relation to semi-conductor technology, S.90(1)(viii) of the Patents Act, 2003 itself notes that a compulsory license may be granted only to work the invention for public, non-commercial use. As set out above, mere non-working of an invention will not automatically entail grant of a compulsory license. Further, it must be noted that in such instances of consideration of an application for grant of compulsory license, it is in the interest of the patentee to disclose patent working information to the extent possible, or run the risk of having an adverse inference drawn against it (on the ground that available information was not disclosed), in proceedings that may be instituted for the grant of compulsory licenses, or in patent infringement suits, wherein injunctions are being sought. The present writ petition argues that public interest demands disclosure, and that the failure to disclose and the absence of data would somehow impair compulsory licensing proceedings. On the contrary,

12 749

it is pointed out that where data on working of a patented product is available with a patentee and such patentee fails to regularly file such information, in compulsory licensing proceedings, an adverse inference may be suitably drawn against it, which would certainly aid the case for grant of a compulsory license. Therefore, the public interest is adequately protected even in such cases.

12. Vague obligation cannot entail criminal penalties: It is further submitted that the format of the prescribed Form 27 is defective and also unworkable and often inapplicable to a large spectrum of inventions. The writ petition itself points out that the present format of Form 27 is unsatisfactory, and that the information sought is vague, imprecise and unclear. It is submitted that when the Form itself is admittedly vague and unclear, patentees and licensees would be legitimately entitled to argue that a failure to supply information in response to such a vague, imprecise form could not legitimately attract a criminal penalty and that a criminal prosecution cannot be launched for any failures in such a scenario.

13. Lastly, it is submitted that even historically, the Ayyangar Committee Report had not contemplated periodic filings of Forms as envisaged in Section 146(2). In fact, the requirement for disclosure of information was only on a specific notice being issued as contemplated now in Section 146(1) and failure to disclose such information, on specific being put to notice, entailed imposition of a penalty as contemplated in Section 122. The relevant extracts of the

13742

report and the clauses in the draft bill annexed to the report are attached herewith as ANNEXURE R-4/5. It is further submitted that under the Patent Rules 1972, which were the predecessors of the Patent Rules, 2003, the reporting requirement under Section 146(2) of the Act was implemented through Form 58 read with Rule 117. Form 58 contained open-ended questions which allowed patentees flexibility in responding, based on the nature of the invention concerned, thereby better serving the purpose of the form. True copy of Rule 117 of the Patent Rules, 1972 and Form 58 prescribed thereunder are annexed hereto as ANNEXURE R-4/6. It is submitted that given the admitted vagueness in the format of Form 27, and given that the Form itself requires only that data be supplied where available, it would be apposite if the Controller General of Patents issued a specific notice under Section 146(1) to a patentee/licensee calling for information, if public interest so warrants, before launching any criminal prosecutions as contemplated in Section 122. It is submitted, based on Respondent No. 4's experience in the field, in the above circumstances and given the history of the legislation, that the statements under Section 146(2) ought to be treated as a first step – preliminary material upon the consideration of which the Controller may choose, in a given case, and in light of a public interest involved, to exercise his powers under Section 146(1) of the Act, to call for specific and detailed information. A penalty under Section 122 ought legitimately to be imposed only in cases where

14 742

patentees default in providing such specific information under Section 146(1) of the Act.

14. Further, it is submitted that the Ministry of Commerce and Industry on 26<sup>th</sup> October 2015 issued a draft of 'The Patents (Amendment), Rules, 2015' (hereinafter 'Draft rules') and invited suggestions and/or objections from members of the public. The Answering Respondent submits that he participated in the above process of public consultation and has forwarded the concerns set out hereinabove to the Ministry also, for its consideration. A true copy of the submission dated 25<sup>th</sup> November 2015 is annexed hereto as **ANNEXURE R4-7.**

Whereof, it is humbly prayed that this Hon'ble Court be pleased consider the submission made herein and pass such orders as this Hon'ble Court deems fit in the circumstances of the case and the interests of justice.

*Narain Thappa*  
RESPONDENT NO. 4

*M. K. Singh* Through:  
**M/s Keystone Partners,  
Advocates & Solicitors  
B-126, Sarvodaya Enclave,  
New Delhi - 110 017.**

Place: New Delhi

Date: 05/02/2016

15

744

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

**WRIT PETITION (C) NO. 5590 OF 2015**

**IN THE MATTER OF:**

**SHAMNAD BASHEER**

**... PETITIONER**

**VERSUS**

**UNION OF INDIA & OTHERS**

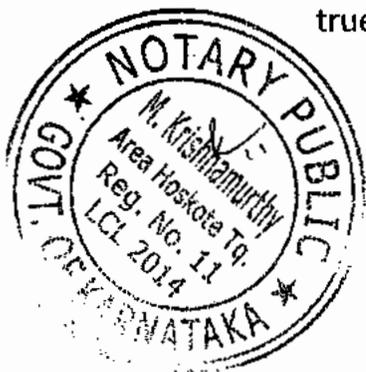
**...RESPONDENTS**

**AFFIDAVIT**

I, Narendra Reddy Thappeta, son of T. Sri Chandrasekhara Reddy, aged about 51 years, resident of 158, Phase 1, Adarsh Palm Meadows, Ramagundanahalli, Bangalore – 560066, do hereby solemnly affirm and state as under:

1. That I am the Respondent No. 4 herein; I am well acquainted with the facts and circumstances of the case and am as such competent to affirm the present affidavit.
2. That I have gone through the contents of the accompanying Reply which has been drafted under my instructions. The contents of Paragraph Nos. 1 to 4, parts of 6, 7 to 10, parts of 11 to 13, and 14 are facts true to my knowledge while Paragraph Nos. 5, parts of para 6 and parts of 11 to 13 are based on legal advice received and believed to be true and correct.

**NO.OF CORRECTIONS.** Nil



16

745

3. That the annexures filed along with the present Reply are true copies of their respective originals.

*Narain Thappa*  
DEPONENT

**VERIFICATION**

I, the above named Deponent, do hereby solemnly affirm and verify that the contents of this affidavit are true to best of my knowledge and belief and nothing material has been concealed therefrom.

Verified on this the 2<sup>nd</sup> day of February, 2016 at Bangalore.

*Narain Thappa*  
DEPONENT



Book 1 Page 67  
Reg.No. 433 Dated 2/2/16

**SWORN TO BEFORE ME**  
*M. Krishnamurthy* 2/2/16  
B.Com., LL.B.  
ADVOCATE & NOTARY PUBLIC  
Nikitha Complex,  
1st Floor To Hotel Pranam,  
Near Mini Vidhana Soudha  
HOSKOTE-562114

NO.OF CORRECTIONS: *nil*

76  
74

NO. 392



GOVERNMENT OF INDIA  
THE PATENT OFFICE

CERTIFICATE OF REGISTRATION AS A PATENT AGENT UNDER THE PATENTS ACT, 1970

*This is to certify that* .....MR. THAPPETA NARENDRA REDDY.....  
*of* .....39899 SALENTINE DRIVE, SUITE 119, NEWARK, CA 94560 USA.....  
*having the requisite qualifications under sub-section (1)(c)(ii).....*  
*of Section 126 of the Patents Act, 1970 has been registered as a Patent Agent and his*  
*name is entered in the Register of Patent Agents under Section 125 of the Patents Act, 1970.*  
*Dated this* .....16<sup>th</sup>..... *day of* .....February..... 2001.

TRUE COPY  
NN

( H. D. THAKUR )  
CONTROLLER OF PATENTS

Resume of Naren Thappeta

May 01, 2012

**RESUME OF NAREN THAPPETA****Work Experience**

- Law Firm of Naren Thappeta, Bangalore, India** 1/2001 - Present  
 Providing various patent related services in relation to India and US laws to organizations and inventors having design centres in India and USA. Over 1000 pending patent applications in front of India patent office and over 200 in front of US patent office, mostly in relation to computers and software matters. In securing US patents, clients represented include Texas Instruments, NIIT, Oracle, Nvidia, Honeywell, CDoT, and Cisco.
- Law Firm of Naren Thappeta, Virginia/California** 2/1997 - 5/2001  
 Specialized in securing both US and non-US patents (PCT and non-PCT routes) in high technology semi-conductor, computer, television and communications areas. See representative client list and technology areas below.
- Sterne, Kessler, Goldstein & Fox, Washington, D.C.** 7/1996 - 2/1997  
 Preparation and prosecution of patent applications in the areas of computer graphics, image processing, database software, networking technologies, telecommunications and internet technologies for major multi-national corporations including HP, IBM, Silicon Graphics and MCI Communications.
- Law Firm of Robert Platt Bell & Associates, Washington, D.C.** 8/1995 - 6/1996  
 Preparation and prosecution of patent applications in the areas of personal computer graphics and peripherals chips related matters for Cirrus Logic, Fremont, CA.
- Cirrus Logic, Fremont, CA** 8/1994 - 7/1995  
 Managed corporate patent program for Graphics Controllers Division of Cirrus Logic. Obtained training in patent application preparation and prosecution from the law firms of Blakely, Sokoloff, Taylor and Zaffman of Los Angeles, California; Lowe, Price, LeBlanc and Becker of Alexandria, Virginia; and Robert Platt Bell & Associates, Alexandria, Virginia.
- Intel Corporation, Legal Department, Santa Clara, California** 8/1992 - 7/1994  
 Obtained training in several aspects of intellectual property law and practice working on in-house matters. Obtained training in patent application preparation and prosecution from the law firm of Blakely, Sokoloff, Taylor and Zaffman of Santa Clara, California. Key Technology Areas: Micro-processors (Pentium processor), memory controllers, flash technology, and network products.
- Intel Corporation, Information Technology Division, Folsom, California** 7/1988 - 7/1992  
 Computer Engineer responsible for evaluation and deployment of various wide-area network technologies and network management products for corporate data networks. Strong background in TCP/IP, ATM, SONET, Distributed Databases, and Network Management.

TRUE COPY  
 N/V

19  
248

**Presentations**

17th December 2012: Presented at International Conference on "Challenges For Objective Analysis Of Patentability Criteria", organized by MHRD Chair on Intellectual Property Rights, National Law School of India University, Bangalore

9th January 2012: Keynote speaker in a conference entitled, "America Invents Act 2011" by The MHRD Chair on IPR, National Law School of India University

23 Feb 2009: Presented on "Obviousness Under India Patent Laws", at 6th India IP IPR Summit, New Delhi

August 13 2008: Presented on "Patent Prosecution in the United States" along with Dr. Raj Dave, US Patent Attorney, at India Patent Office in Kolkatta

January 31 2006: Presented on "(Drafting Competent Specifications in View of)Effective Claim Construction Practices and Procedures" at International Conference on IPR, Bangalore

Oct 28, 2005, Presented on "Legal Framework of Patents & IP Rights - The Differentiator for Technology Creation" at Bangalore IT.InConference, India Semiconductor Association with STPI,

April 26, 2004, Presented on "Software Patents" at WIPO Day held by Chennai Patent Office

2001, Presented on, "Worldwide Patent Protection of High Technology" TechnoLegal 2001 conference, Bangalore.

**Paper**

Entitled, "Opinion: Big data analysis must aid 'eminent persons' in judicial appointments under NJAC", published as Editors Pick at legallyindia.com on Friday, 15 May 2015

**Admissions**

Washington D.C. Bar (Admitted Nov 2008), United States Patent and Trademark Office (March 1996, Registration Number: 41,412), India Patent Agent (Admitted 2001), Advocate under the India Advocates Act, 1961 (Admitted November 2011), California Bar (Inactive, Admitted June 1999).

**Representative Client List and Technology Areas**

**Cabletron Systems**, Santa Clara, CA: Asynchronous Transfer Mode (ATM) switches developed by the Zeitnet Division.

**Cisco Systems**, Bangalore, India: Networking technologies

**Covad Communications**, Santa Clara, CA: Services providing high bandwidth connections using Digital Subscriber line (DSL) technology.

TC