

IN THE HIGH COURT OF JUDICATURE AT MADRAS

SPECIAL ORIGINAL JURISDICTION

W.P. NO. ____ OF 2011

Shamnad Basheer,
Ministry of HRD Chair Professor in
Intellectual Property Rights,
West Bengal National University of Juridical Sciences,
NUJS Bhavan, 12 LB BLOCK,
Salt Lake City, Sector III,
Kolkata - 700098, India. Petitioner

Versus

1. Union of India,
Represented by its Secretary,
Department of Industrial Policy & Promotion,
Ministry of Industry & Commerce,
Government of India,
Udyog Bhavan,
New Delhi 110011.
2. Intellectual Property Appellate Board,
Represented by its Registrar,
Annex-I, Guna Complex, II Floor,
443 Anna Salai, Teynampet,
Chennai 600 018. Respondents

AFFIDAVIT OF SHAMNAD BASHEER

I, Shamnad Basheer, aged about 34 years, son of Mr. M.M. Basheer, having my office at West Bengal National University of Juridical Sciences, NUJS Bhavan, 12 LB BLOCK, Salt Lake City, Sector III, Kolkata - 700098, do hereby solemnly affirm and sincerely state as follows:-

1. I am a professor of law and hold the Intellectual Property Rights Chair instituted by the Ministry of Human Resources and Development (HRD), Government of India (GoI), at the West Bengal,

National University of Juridical Sciences (WBNUJS), Kolkata. I am filing this writ petition as a public interest litigation.

2. Before my current teaching assignment I was the Frank H. Marks Visiting Associate Professor of Intellectual Property Law at the George Washington University law school located at Washington D.C. and a research associate with the Oxford Intellectual Property Research Center (OIPRC). I am also the founder of SpicyIP, a blog that aims to improve Indian intellectual property institutions and policies through a dispassionate analysis of current cases, policies and the workings of IP institutions. I graduated from the National Law School of India University, Bangalore and after some years in practice, went on to finish my Masters in law (BCL) and MPhil from the University of Oxford as a Wellcome Trust Scholar. I have been researching and writing on intellectual property issues for more than 10 years now and have published in various international law journals.
3. The present writ petition has been filed seeking a Writ of Declaration declaring Chapter XI of the Trade Marks Act, 1999, and Chapter XIX of the Patents Act, 1970, as *ultra vires* Articles 14, 19(1)(g), 21, 50, 245, of the Constitution of India and violative of the basic structure of the Constitution and hence void *ab initio*, in so far as it establishes the Intellectual Property Appellate Board (IPAB) and vests important judicial functions on this Board.

4. As a law teacher at a leading Indian law University, I am committed to the growth and development of sustainable intellectual property policies for India. I am therefore duty bound to challenge those provisions of Indian intellectual property law which are being administered in a manner contrary to the basic tenets of the Indian Constitution. In the case of *D.C Wadhwa v. State of Bihar*, AIR 1987 SC 579, a professor of political science who had done substantial research and was deeply interested in ensuring proper implementation of the constitutional provisions, challenged the practice followed by the state of Bihar in repromulgating a number of ordinances without getting the approval of the legislature. The court held that the petitioner as a member of public had 'sufficient interest' to maintain a petition under Article 32. Therefore being a teacher of intellectual property law at the West Bengal National University of Juridical Sciences, Kolkata, I have a substantial and direct interest in filing this petition with a view to curing the infirmities of the IPAB; infirmities which adversely impact the administration of justice in matters pertaining to patents, trademarks and geographical indications. This petition therefore seeks to protect the larger public interest of Indian citizens by seeking a fair, just and most importantly, a constitutionally compliant legal regime for the adjudication of disputes pertaining to intellectual property rights.

5. The IPAB was originally constituted under the Trade Marks Act, 1999 to primarily deal with appeals against orders of the Registrar

of Trade Marks as also original rectification petitions against registered trademarks. Subsequently the Geographical Indications Act, 1999 (GI Act) also vested the IPAB with the power to hear appeals against the Registrar of GIs as also the power to rectify the Register of GIs. Although both the Trade Marks Act & the GI Act were passed by Parliament in the year 1999, the IPAB was notified by the Central Government, vide Government of India Gazette Notification No. S.O.1049(E), only in September of 2003. Subsequently in the year 2007 the Central Government also issued Government of India Notification No.12/15/2006-IPR-III authorizing the IPAB to hear appeals against orders of the Controller of Patents as also original revocation petitions against registered patents under the Patents Act. Though the IPAB is headquartered at Chennai where it has a permanent office, the IPAB has circuit benches at Kolkata, Delhi, Ahmedabad and Mumbai.

6. The precise rationale for the creation of the IPAB is not known at this stage. It is not known as to whether the Government of India recommended to Parliament the creation of the IPAB after having actually carried out a proper study of the situation. It is most likely that given the general process of tribunalization in India at that time, the Government decided to replicate the process for adjudication of intellectual property rights disputes.

7. Before delving into the constitutional challenge against the establishment of the IPAB, it is first necessary to study the legal

framework prior to the establishment of the IPAB. For this purpose it is necessary to discuss the forums to hear appeals and rectifications under the Trade Marks Act, 1958, which is now repealed as also the forums to hear appeals and revocation under the Patents Act, 1970, before it was amended in the years 2002 and 2005. This discussion will help in explaining the extent of the powers which have been shifted from the High Courts to the IPAB.

A. **APPEALS & RECTIFICATIONS UNDER THE TRADE MARKS ACT, 1958**

8. **Appeals against the Registrar of Trademarks:** Under the Trade Marks Act, 1958 (hereinafter “Act of 1958”), as is the case with the present Act, the ‘Registrar’ is the main administrative authority to whom trademark applications are made. The Registrar is then responsible for processing the trademark application and granting the trademark registration after deciding any possible opposition against the trademark application. As per Section 109 of the ‘Act of 1958’ all orders of the Registrar of Trademarks could be appealed to a Single Judge of a High Court with the provision for a further appeal to a Division Bench of the same High Court. Section 3 of the ‘Act of 1958’ prescribed the jurisdiction rules for such appeals to the High Court. As per this provision, only High Courts with jurisdiction over the appropriate Trade Marks Registry could entertain appeals against the orders of that particular Registry. This meant that that

there were a total of 5 High Courts in the entire country which had jurisdiction to entertain appeals against the orders of the Registrars situated in the Trade Marks Registries located at Mumbai, Chennai, Kolkata, Delhi & Ahmedabad. These 5 High Courts were the Bombay High Court, the Madras High Court, the Calcutta High Court, the Delhi High Court and the Gujarat High Court.

9. **Rectifications:** As per the 'Act of 1958', there were two kinds of rectification petitions that could be filed in order to cancel registered trademarks from the Register of Trademarks. The first kind of rectification petition, as per Section 56 of the 'Act of 1958' could be filed at any point of time with either the Registrar of Trademarks or the High Court with the appropriate jurisdiction. The second kind of rectification petition is that which is filed during the course of a pending trademark infringement proceeding where the defendant pleads invalidity of the plaintiff's registered trademark as a defence or where the defendant contends that his is also a registered trademark and the plaintiff in turn counters such registration of the defendant's mark as being invalid. As per Section 107 of the 'Act of 1958' such rectification petitions could be filed only with a Single Judge of the High Court and not with the Registrar of Trademarks. This provision also provided for a further appeal to a Division Bench of the same High Court. As per the Section 3 jurisdictional rules for the High Courts, already been discussed above, only five High Courts in the country had the jurisdiction to hear such rectification petitions filed during the course of a trademark infringement suit.

These 5 High Courts were the Bombay High Court, the Madras High Court, the Calcutta High Court, the Delhi High Court and the Gujarat High Court.

B. APPEALS & RECTIFICATIONS UNDER THE TRADE MARKS ACT, 1999

10. **Appeals against the Registrar of Trademarks:** As per Section 91 of the Trade Marks Act 1999, any person aggrieved with the orders of the Registrar of Trademarks may prefer an appeal to the IPAB within three months from the date on which such order has been passed. Therefore the power which earlier vested with five High Courts across the country is now vested in only one tribunal.

11. **Rectifications under the Trade Marks Act, 1958:** As per Section 57 of the Trade Marks Act, 1999 any person so aggrieved may file an application before the Registrar or the IPAB to rectify or cancel a registered trademark from the Register. As explained earlier this power under the 'Act of 1958' was vested only with Registrar or the High Court. Similarly, under Section 125, in similar circumstances as before the 1999 Act, rectification proceedings can be initiated before the Board when infringement proceedings are pending. Therefore the power which was earlier vested with five High Courts across the country is now vested in only one tribunal.

12. **Transfer of powers from the High Court to the IPAB under the Trade Mark Act:**

<u>Sl. No.</u>	<u>Remedy under Trade Marks Act</u>	<u>1958-2003 (Act of 1958)</u>	<u>2003 - 2010 (Present Act)</u>
1.	Appeals against the Orders of the Registrar of Trade Marks.	To 5 High Courts.	To only the IPAB.
2.	Rectification petitions against trademarks.	To 5 High Courts.	To only the IPAB.

There is no provision for a statutory appeal against the orders of the IPAB passed in its jurisdiction stated above, making it all the more necessary that the adjudication by the IPAB has to be performed by members with prior judicial experience.

C. **APPEALS & REVOCATIONS UNDER THE PATENTS ACT, 1970**

13. **Appeals against the Orders of the Controller of Patents:** Under the Patents Act, 1970 (hereinafter 'Act of 1970'), as amended upto

the present date, the 'Controller of Patents' is the main administrative authority to whom patent applications are made. Since its inception, the Act has vested the Controller with the authority to either grant or reject a patent application after adjudicating upon any possible pre-grant patent opposition against the patent application. Under Section 116 of the 'Act of 1970' all Orders of the Controller could be appealed to a Single Judge of the High Court. Given that there were only four Patent Offices in the country located at Delhi, Mumbai, Kolkata & Chennai, only the Delhi High Court, the Bombay High Court, the Calcutta High Court and the Madras High Court could hear appeals against orders of the Patent Offices.

14. **Revocation of granted patents:** As per Section 64 of the 'Act of 1970' a patent could be revoked only by a High Court, either during the course of a counter-claim filed in a patent infringement suit or by a revocation petition independent of any suit for infringement. Such a revocation petition could have been filed before all 21 High Courts in India.

**D. APPEALS & REVOCATIONS UNDER THE PATENTS ACT, 1970
AS AMENDED BY THE PATENT (AMENDMENT) ACT, 2002 &
PATENT (AMENDMENT) ACT, 2005**

15. **Appeals against the Orders of the Controller of Patents:** As per Section 117 of the Patents Act, 1970, as amended by the Patent

(Amendment) Act, 2002 & Patent (Amendment) Act, 2005 (hereinafter 'Amended Patent Act') a specified set of Orders of the Controller of Patents and the Central Government can be appealed to the IPAB within a span of three months. As explained above, before the establishment of the IPAB, these appeals could be heard by four High Courts across the country. With the establishment of the IPAB, this entire workload has been shifted to only one tribunal. It is pertinent to note that since its inception, the IPAB has never had more than one bench to decide such matters. The various matters, to which the appellate jurisdiction of the IPAB extends, involve deep appreciation of law and facts and specifically require judicial experience and expertise. Some such orders passed by the Controller that may be taken up on appeal to the IPAB are:

- a) Order refusing the patent application itself, either for non-compliance with the requirements of the Act (s.15) or on the ground of anticipation of the claims in the patent by any prior publication (s.18);
- b) Order allowing any post-grant objections to an already conferred patent, resulting in invalidation of the patent [s.25(4)];
- c) Order mandating division of the patent application into two or more separate applications (s.16);
- d) Order mandating reference to any other patent in the claims as filed on the ground that the former patent may be potentially infringed by the claims in the fresh patent application (s.19);

- e) Order of the Central Government revoking a patent on the ground that the mode in which it is exercised is mischievous to the State or generally prejudicial to the public (s.66);
- f) Order directing the patentee to compulsorily license the patent technology to an applicant after considering fulfilment of the pre-conditions as listed out in Sections 84 / 91 / 92;
- g) Order revoking a patent in respect of which a compulsory license has already been granted, on the ground that the patent is still not being worked or being made available to the public at reasonably affordable prices (s.86);
- h) Order directing the patentee to compulsorily license the patent technology to the customers of an applicant after considering fulfilment of the pre-conditions as listed out in Section 88;
- i) Order terminating the grant of a compulsory license on the ground that the circumstances that gave rise to the grant of the license in the first place, no longer exist (s.94)

16. From the above, it is clear that the nature of appellate jurisdiction exercised by the IPAB involves serious determination of mixed issues of law and fact such as patentability, public interest, potential infringement, etc. This in turn can only be done by persons with judicial experience and expertise as it requires deep knowledge of law and legal principles, the acute ability to weigh evidence by identifying the relevant factors that go towards such determination and ignoring the irrelevant ones, and the skill of ascertaining facts applying well established principles of evidence.

17. **Revocations of granted patents:** As per Section 64 of the 'Amended Patent Act' a granted patent can be revoked on a petition to the IPAB by any person interested. The provision however allows a High Court to revoke a patent on a counter-claim in a suit for infringement of that patent. Therefore, although High Courts do retain their powers to revoke in the case of counter-claims being filed in the suit, their powers to decide original revocation petitions have been transferred to the IPAB. In addition to the IPAB, the 'Amended Patent Act' for the first time, vests the power of revocation even with the Controller of Patents via the post-grant opposition mechanism under Section 25(2) of the 'Amended Patent Act'. However, in order to avail of the post grant opposition machinery, the said opposition has to be filed within one year of the granted patent being published in the official gazette of the Patent Office.

18. The grounds for revocation a patent are again extensively listed out in Section 64. From a bare perusal of these grounds, which the petitioner does not wish to reproduce here, it is clear that revocation again involves determination of a *lis inter partes* after appreciation of the law and the facts of the case.

19. Transfer of powers from the High Court to the IPAB in matters under the Patents Act:

<u>Sr. No.</u>	<u>Remedy under Patents Act</u>	<u>1970-2007 (Act of 1970)</u>	<u>2007 - 2010 ('Amended Patent Act')</u>
1.	Appeals against the Orders of the Controller of Patents	To 4 High Courts.	To the IPAB only.
2.	Original revocation petitions against patents.	To any High Court in the country.	To the IPAB only.

20. Although the IPAB has been constituted to take over the functions of the High Courts in key areas pertaining to the adjudication/resolution of trademark and patent disputes, the independence of the IPAB from executive influence is under serious question. The norms for appointment of IPAB members, its current constitution and its mode of functioning are all in blatant violation of sacrosanct principles of an “independent judiciary” and “separation of powers” as enshrined in the Constitution. Before discussing the grounds for constitutional challenge it is first necessary to describe the statutory

qualification criteria, the appointment and removal process for members of the IPAB.

21. **The statutory qualification criteria for members of the IPAB as laid down in Section 85 of the Trade Marks Act, 1999:** As

per Section 84(1) of the Trade Marks Act, 1999 the IPAB is required by law to consist of a Chairperson, a Vice-Chairperson and other members, as the Central Government may deem fit to appoint. The 'other members' are 'Judicial Members' & 'Technical Members'. As per Section 84(2) of the Trade Marks Act, 1999 every matter of the IPAB has to be heard by a Bench consisting of at least one Judicial Member and a Technical Member. The Chairperson may appoint the same judicial member or technical member to different Benches of the IPAB.

22. The qualification criteria for a 'Judicial Member' as per Section 85 of the Trade Marks Act, 1999 is as follows:

- (i) Any member of the Indian Legal Service who has held a Grade I post for at least three years; or
- (ii) Any person who has held a civil judicial office for a period of at least ten years.

23. The qualification criteria for a 'Technical Member' in trademark matters as per Section 85 of the Trade Marks Act, 1999 of the Trade Marks Act is as follows:

- (i) Any person who has ten years of experience as a Registrar or held the post of Joint Registrar for at least five years; or
- (ii) Any person who for at least ten years has been an advocate of a proven specialized experience in trade mark law.

24. The qualification criteria for a 'Technical Member' in patent matters as per Section 116(2) of the 'Amended Patents Act' is as follows:

- (i) Any person who has held the post of Controller of Patents for a period of at least five years; or
- (ii) Any person who has functioned as a Registered Patent Agent for at least ten years and also possesses a degree in engineering or technology or a master's degree in science from any University established under law.

25. The qualification criteria for a Vice-Chairperson as per Section 85 of the Trade Marks Act, 1999 is as follows:

- (i) Any person who has for at least two years held the office of a Judicial Member or a Technical Member; or
- (ii) Any person who has been a member of the Indian Legal Service and has held a post in Grade I of that Service or any higher post for atleast 5 years

26. The qualification criteria for a Chairperson as per Section 85 of the Trade Marks Act, 1999 is as follows:

- (i) Any person who is or has been a Judge of a High Court; or

(ii) Has, for at least two years, held the office of a Vice-Chairperson

27. It must be noted that the qualification criteria for the positions of Chairperson, Vice-Chairperson and Judicial Members of the IPAB make no reference to advocates who have at least ten years of practice. Therefore while an advocate with 10 years of experience cannot become a Chairperson or Vice-Chairperson, a member of the Indian Legal Service who has not practiced before the High Court and also has no prior judicial experience can qualify to become either a Judicial Member or the Vice-Chairperson of the IPAB and subsequently the Chairperson of the IPAB.

28. **The Appointment Procedure for members of the IPAB:** Section 85(5) of the Trade Marks Act, 1999 states that the Chairperson, Vice-Chairperson and every other Member of the Board shall be appointed by the President of India. Section 85(6) adds that the Chairperson shall be appointed only after consultation with the Chief Justice of India. There is however no judicial oversight over the appointment of other members, and, as of now it is not exactly clear as to who are the members of the Selection Committee appointing the Vice-Chairperson and other members of the IPAB. It must be noted that this is in distinct contrast to the procedure for appointment of High Court judges. Even for appointing district judges, Article 235 of the Constitution requires such appointments

to be made only after consulting the High Court that exercises supervisory jurisdiction over the subordinate courts in that State.

29. The 'removal' procedure for members of the IPAB: As per Section 89(2) of the Trade Marks Act, 1999 a member of the IPAB can be removed from his office by the President of India, on the grounds of proved misbehaviour or incapacity after an inquiry made by a Judge of the Supreme Court. The rules to regulate the procedure for the investigation are required to be formulated by the Central Government. To the best of the Petitioner's knowledge, no such rules have been notified till date. On the other hand, High Court judges, though appointed in the name of the President, can be impeached only by a vote of Parliament.

30. Salaries, allowances and other terms and conditions of service of the Members of the IPAB: As per Section 88 of the Trade Marks Act, 1999 it is left to the Central Government to prescribe the salary, allowances and other terms and conditions of service of the IPAB members. It must be noted that the salary of the Judges of the Union Judiciary is fixed by the Parliament and may thus be altered only by an Act of Parliament. Further Article 112 of the Constitution states that the salary of Supreme Court and High Court judges shall be charged to the Consolidated Fund of India.

31. Term of Office: As per Section 86 of the Trade Marks Act, 1999 members of the IPAB shall have only a five year term with no

provision for an extension of the same. While the retirement age for the Chairperson and the Vice-Chairperson is sixty five years, the retirement age for other members is sixty two years. It must be noted that with the Constitution (114th) Amendment Bill seeking to increase the retirement age of all High Court Judges to 65 years it is highly unlikely that the IPAB shall be headed by a retired High Court Judge ever again.

32. Staff of Appellate Board: The number of officers, their salaries and service conditions and their functions with respect to supporting the IPAB are all left to the Central Government. As of now the Department of Industry Policy & Promotion (DIPP) is responsible for all such appointments.

33. General observations as regards the qualifications of IPAB Members:

- (i) The manner in which the entire promotion scheme is structured allows even technical members to eventually become Chairperson of the IPAB i.e. after two years of service as a Technical Member the person qualifies to the position of Vice-Chairperson. After another two years of service as a Vice-Chairperson the same person qualifies to become Chairperson of the IPAB. Therefore a 'technical member' *who does not even have a degree in law* is qualified to become

the Chairperson of the IPAB which is a position equivalent to that of a High Court judge.

- (ii) The definition of 'Judicial Member' as per Section 2(k) of the Trade Marks Act, 1999 includes the Chairperson and the Vice-Chairperson. This would mean that once a Technical Member qualifies to become a Vice-Chairperson, then that Vice-Chairperson can sit as a Judicial Member with another Technical Member to function as a full-fledged bench of the IPAB. Therefore in reality, under the current setup, two persons without law degrees can decide trademark and patent matters which were formerly being heard by Judges of the High Courts. This would also mean that once a former Registrar of Trade Marks qualifies as a Technical Member and subsequently qualifies to become a Vice-Chairperson, he or she may sit as a Judicial Member on a Bench, along with a 'Technical Member' appointed under the Patents Act and decide patent matters despite the fact that the person in question does not have a law degree or an expertise in science and technology.

- (iii) The above description is not strictly a hypothetical situation as will be observed by viewing the current Roster of the IPAB. The annexed 'cause-lists' of the IPAB on the 8th of November, 2010 & 2nd of November, 2010, respectively, details the coram of present benches as follows:

- (i) Trademark Bench – Ms. S. Usha (Vice-Chairperson), Mr. Syed Obaidur Rahaman (Technical Member – Trademarks)
- (ii) Patents Bench – Ms. S. Usha (Vice-Chairperson), Mr. Chandrashekharan (Technical Member – Patents)

From the previous Orders of the IPAB, annexed herewith, it is but apparent that Ms. S. Usha was originally appointed as the 'Technical Member' for trademarks matters. However after serving two years as Technical Member she qualified as the Vice-Chairperson and has started sitting as the 'Judicial Member' on both trademark and patents benches. Therefore in reality a person originally appointed as 'technical member' for trademark matters is now sitting as a 'Judicial Member' for both Trademark and Patent matters.

- (iv) Since its inception, the IPAB has had only two former High Court judges as its Chairpersons. The third Chairperson of the IPAB, a position equivalent to that of a High Court Judge, was Mr. Z.S.Negi, a bureaucrat from the Indian Legal Service who was elevated after serving as Vice-Chairperson for a period of two years. Prior to his appointment to the IPAB, Mr. Z.S.Negi was a Secretary to the Government of India and was working with the Ministry of Law and Justice. Currently the IPAB is without a Chairperson as Mr. Z.S.Negi has retired. With the retirement of Mr. Z.S.Negi, the IPAB is currently without a judicial member as defined in Section 85(3).

- (v) Further, the qualifications of Mr. Syed Obaidur Rahaman, Technical Member, IPAB are under serious doubt. An RTI application filed by one Shri Papinder Pal Singh Kalra on the 14th of December, 2009, annexed herewith, illustrates several false assertions made by Mr. Syed Obaidur Rahaman to qualify for the post of Technical Member, IPAB. The answers provided by the Central Public Information Officer of the DIPP indicates that Mr. Rahaman has allegedly stated on his application form, for the position of Technical Member, IPAB that he was involved in atleast one English case which was decided in the year 1935. If this were to be true, that would mean that Mr. Rahaman is more than 90 years old as of now and was qualified before the English bar to have appeared in that case. The Petitioner has also perused all the other cases cited by Mr. Rahaman and can state, as a matter of fact, that Mr. Rahaman's name does not appear in a single one of those cases. The reply to the RTI Application also provides details on the Selection Committee which appointed Mr. Rahaman to the post of Technical Member of the IPAB. The Selection Committee consisted of the Secretary, DIPP; Secretary, Department of Personnel and Training & Secretary D/Legal Affairs. The Selection Committee therefore did not have any representation from the Judiciary.

34. General observations as regards the functioning and independence of the IPAB over the period 2003-2007:

- (i) The IPAB as an arm of the DIPP, Ministry of Commerce: As already explained above the IPAB was setup as a specialized tribunal to take over the functions of the High Courts under the Trade Marks and Patents Act. It would therefore be expected that the IPAB function with the same degree of independence as the High Courts. However it is but apparent that the DIPP, Ministry of Commerce & Industry appears to be treating the IPAB as an extension of itself. For example the Annual Report of the DIPP for the years 2009-2010 reviews the IPAB under the heading 'Attached and Other Subordinate Offices and Other Organizations'. It must be noted that 'Annual Reports' of Central Government Ministries and Departments cover only those organizations which are under their complete control, both administratively and financially. Moreover in this Report, the DIPP describes the IPAB, a body which has taken over the functions of the High Court, as a 'quasi-judicial' body. It is clear from a reading of the Annual Report of the DIPP that the Central Government considers the IPAB as nothing but an extension of the DIPP. The relevant pages of the DIPP Annual Report are annexed herewith.
- (ii) The implementation of the RTI Act, 2005 with respect to the IPAB: As per the Right to Information Act, 2005 every 'public

authority' is required to formulate and publish rules to implement the RTI Act, with respect to itself. Although the IPAB falls within the definition of 'public authority', as defined in the RTI Act, 2005, it does not have its own RTI rules. The reason for this is the fact that the DIPP is administering the RTI Act with respect to even the IPAB. The DIPP's RTI Policy which clarifies the 'Boards, Councils, Committees and other bodies constituted as in the Department of Industrial Policy and Promotion' clearly lists the IPAB as one of the bodies functioning under the DIPP thereby giving the DIPP the right to implement the RTI Act, 2005 with respect to the IPAB. This is akin to having the Law Ministry administering the RTI Act with respect to all 21 High Courts and the Supreme Court.

(iii) The IPAB was allegedly set up as a substitute for the High Courts with a view to decrease pendency at the High Courts and to provide more specialist expertise in IP matters. On both counts, it has failed. This appears to have been an exercise in futility, with the High courts being stripped of jurisdiction which they initially possessed and the adjudicatory results turning out worse than earlier. The Annual Report of the DIPP for the years 2009-2010 provides statistics which indicate that the IPAB has a remarkably low disposal rate. Photocopies of the relevant pages from the Annual Report are annexed herewith. A summary of these figures are provided below.

IPAB Statistics as per DIPP Annual Report 2009-2010

Bench	Total patent cases filed/received	Total patent cases disposed
Chennai	65	16
Delhi	45	2
Mumbai	34	3
Kolkata	11	0
Total	155	21

IPAB Statistics as per DIPP Annual Report 2009-2010

Bench	Total trademark cases filed/received	Total trademark cases disposed
Chennai	552	331
Delhi	923	353
Mumbai	310	58
Ahmedabad	222	112

Kolkata	238	47
Total	2245	901

(iv) One of the reasons for this abysmally low rate of disposal could be the fact that the IPAB does not function on a daily basis and also because only 2 of its benches have been able to function fully in the last few years. In fact as of December 16th, 2010 the IPAB is functioning with only 2 members. One member is Ms S. Usha, the Vice-Chairperson and the other is Mr. Syed Obaidur Rahman, Technical Member for Trademarks. All other members of the IPAB have retired. On the basis of the cause-lists available on the website of the IPAB, the Petitioner has been able to compute the number of sittings the IPAB has had per month in the year 2010. The same has been reproduced in the following table:

<u>Sl.No.</u>	<u>Month</u>	<u>No of Sittings</u>
1.	January, 2010	2
2.	February, 2010	11
3.	March, 2010	11
4.	April, 2010	10
5.	May, 2010	5
6.	June, 2010	9
7.	July, 2010	10

8.	August, 2010	7
9.	September, 2010	8
10.	October, 2010	13
11.	November, 2010	15
12.	December, 2010	2
13.	Total	103

- (v) The resource crunch being faced by the IPAB: In a news report in the *Hindu* on the 12th of February, 2010 titled 'Seven years and still no facilities for IPAB Circuit Benches', the correspondent describes in vivid detail how the Vice-Chairperson of the IPAB, Ms. S. Usha had complained to the Secretary of the DIPP over the lack of facilities for three of the Circuit Benches. While the IPAB does have a building, although inadequate, in Chennai, the four Circuit Benches in Kolkata, Delhi, Ahmedabad and Mumbai are wholly without facilities. Most shockingly the IPAB is conducting its hearings at the premises of the Patents and Trademarks Offices in Kolkata, Delhi and Mumbai, despite the fact that it is sitting in appeal over orders passed by these very offices. As detailed by the Vice-Chairperson Ms. S. Usha in her letter to the DIPP the IPAB is literally hostage to the Patents and Trademarks Office's consent to use the premises for its hearings. The Vice-Chairperson also details an instance of how the Controller

General of Patents declines to grant the IPAB even a small room in the Mumbai Patent Office to conduct its hearing post April 2010. As a result the IPAB has not conducted any hearings in Mumbai. The fact that the circuit benches do not have their own offices is further corroborated by the annexed printouts of the cause-lists from the IPAB's websites. As per these cause-lists the venues for the hearings in the various circuit benches are as follows:

Sr.	Date	Circuit Bench	Venue of Hearing
1.	24.11.2010	Ahmedabad	Gujarat State Legal Services Authority
2.	8.11.2010	New Delhi	Conference Hall, Patent Office
3.	21.6.2010	Kolkata	Conference Hall, Patent Office

35. Level of adjudication before the IPAB: It must be pointed out that patent and trademark revocation matters are more often than not mixed questions of law and fact. As a rule of thumb, in most common law jurisdictions around the world, these matters are subject to the rigours of a trial whereby extensive documents are filed, witnesses are led and subject to intense cross-examinations. While such cross-examinations are common features in infringement actions before district courts and High Courts, for some reason, there is almost no

cross-examination of witnesses before the IPAB, despite the fact that the IPAB possesses the power to permit cross-examinations. This no doubt impacts the quality of justice being meted out by the IPAB and raises questions about the decisions rendered so far.

36. The most alarming constitutional defect of the IPAB, a tribunal that effectively took over the functions of the High Court, is the fact that the statutory norms prescribing qualification criteria for judicial members has been drafted with a view to favour officers of the Indian Legal Service (ILS). Such officers come with no judicial or adjudicatory experience whatsoever and cannot, by any stretch of imagination be placed on par with those who are qualified to be appointed as High Court judges under the Constitution of India.

37. Even more egregious is the history behind some of these statutory provisions that were craftily formulated to perpetrate executive influence on the working of the IPAB. The Trade Marks Act, 1999 which created the IPAB was drafted by the Ministry of Law and Justice which in itself is staffed by officers of the Indian Legal Service. The primary motive of these officers while drafting these legislations appears to lie in creating retirement havens for themselves. For example the Trade Marks Act, 1999 which is the parent statute of the IPAB, although currently administered by the Ministry of Commerce and Industry, was initially drafted and introduced into Parliament by the Ministry of Law, Justice and

Company Affairs, as it was known then. Coincidentally the first Vice-Chairperson of the IPAB, Dr. Raghbir Singh, a former officer of the Indian Legal Service, was the Secretary, Legislative Department, Ministry of Law, Justice and Company Affairs, at the time when the Trade Marks Act, 1999 was introduced into Parliament. Since the retirement age of the Vice-Chairperson of the IPAB was fixed at 65 years and only ILS officers, and not advocates, were qualified to become the Vice-Chairpersons, both Dr. Raghbir Singh and his successor Mr. Z.S.Negi, also a former ILS officer, became the Vice-Chairpersons, in succession, soon after their retirement from the Indian Legal Service at the age of 62 years. After retiring from the IPAB as Vice-Chairperson and Chairperson, respectively, both officers are permitted by Section 88 of the Trade Marks Act, 1999 to draw pension, gratuity etc. as per their rank in the IPAB. Therefore for three years of service at the IPAB, ILS officers end up getting an IPAB pension in addition to their pension as ILS Officers of the Central Government.

38. The manner in which the IPAB has been set up, appointment of its members have been carried out, and has been functioning so far, is in stark contrast with the system for patent law adjudication in the United Kingdom. The adjudication of infringement and validity disputes in patent law are well integrated with the judicial system, in the United Kingdom. Broadly, every litigant has two options: One, to go before the Patents Court, and two, to approach the Patents County Court. The former is a Bench of the High Court that is specialised in

the adjudication of patent law disputes and manned by those High Court judges who have had specific training and exposure to patent law litigation in their career at the bar. The latter is a county court designated specifically for the resolution of patent law disputes involving small and medium size enterprises that cannot bear the costs associated with the Patents Court proceedings. Even this court is headed by a barrister specialised in patent law practise. The picture that emerges is that no one who is untrained in the law, and without any legal qualifications, can adjudicate on patent law disputes in the U.K. The specialised knowledge, if any, required to assist the adjudication process is brought in through the appointment of scientific advisers by the Court when the Court is of the opinion that it requires such assistance.

39. In India, on the other hand, the Parliament has taken the requirement of such assistance to a new and unprecedented level by using this pretext to appoint technical members who can now 'technically' head the IPAB. Such technical members may come with no prior knowledge of the law, and in many cases, with no significant prior expertise in IP matters as well, as is the case with Syed Obaidur Rahman. Technical knowledge is something that should ideally be left to the discretion of a judicial body that adjudicates that particular dispute, in the same manner as discretion is placed on the Executive to appoint a fact finding Commission headed by a retired Judge when circumstances demand judicial expertise for carrying on such exercise. Ignoring this salutary principle of separation of

powers and using the pretext of specialised knowledge to interfere with the functioning of the judiciary is a wholly unconstitutional exercise, and the impugned provisions suffer from this constitutional vice. The requirement of the 'Technical Member' is even more curious in the context of Section 115 of the Patents Act which allows the Court to appoint a 'Scientific Advisor' to assist it in any patent matter.

40. The Petitioner submits that the impugned provisions of the Trade Marks and Patents Act, dealing with the establishment and staffing of the IPAB and conferring jurisdiction over matters requiring judicial experience and expertise, seriously dilute the independence of the IPAB and flagrantly violate the 'Separation of Powers' doctrine enshrined in the Constitution, as well as deny the citizens of India their fundamental right to free, fair and impartial administration of justice by qualified judges and should therefore be declared *ultra vires* the Constitution of India, on the following among other grounds:

Grounds:

A. Over the last few decades, there has been a conscious move on the part of the 1st respondent Union to tribunalize administration of justice. Several of these laws have been challenged. While the Hon'ble Supreme Court did initially permit limited tribunalisation, especially in adjudication of

service disputes, consumer disputes and debt recovery matters, in order to ensure speedier justice, it has recently clamped down on the rapid dilution of judicial standards in these Tribunals. On 11th May, 2010, the Constitution Bench of the Supreme Court delivered a landmark verdict in the case of *Union of India v. R. Gandhi, President of Madras Bar Association* (Hereinafter the “NCLT judgment”) [2010] 156 Comp.Cas. 392. The Supreme Court in this case clarified for the first time, in the context of the proposed National Company Law Tribunal, norms relating to the actual composition and qualifications of tribunals taking over the functions of the High Court. These norms were carefully spelt out by the Apex Court with a view to ensure that *firstly* these tribunals are independent from the influence of the Executive and *secondly* to ensure that these tribunals are staffed with persons who possess adequate judicial experience and are capable of administering justice in a fair and impartial manner. The impugned provisions of the Trade Marks Act, 1999 and the Patents Act, 1970, are contrary to the norms prescribed by the Constitution Bench of the Apex Court in the NCLT judgment.

- B. The Constitution Bench of the Supreme Court in the NCLT judgment held that “the fundamental right to equality before law and equal protection of law guaranteed by Article 14 of the Constitution clearly includes a right to have the person's

rights, adjudicated by a forum which exercises judicial power in an impartial and independent manner, consistent with the recognized principles of adjudication". The Court further held that wherever access to courts to enforce such rights is sought to be altered by directing a litigant to approach an alternative forum, then in such case the legislative act in question could be challenged before a Court of Law on the grounds that it is *ultra vires* the Constitution of India. The Trade Marks Act, 1999 & the Patents Act, 1970 which transfer intrinsic judicial functions from the High Court to the IPAB, a body manned by persons lacking any prior judicial experience before assuming their tenure as members of the IPAB, is hence violative of Article 14 of the Constitution of India.

C. Qualification criteria for 'judicial members' of the IPAB:

The Supreme Court in the NCLT judgment has very clearly held that in order to qualify as a "judicial" member on a tribunal which is taking over the erstwhile functions of the High Court, it is necessary for the qualification criteria for that tribunal member to be as close as possible to that of a High Court Judge. One of the key qualifications of such a person is that he or she must possess adequate judicial experience. To this extent, the Supreme Court held that only persons with actual experience in a Court of Law as either judges or advocates can be termed as possessing adequate judicial experience. The Supreme Court had therefore held that only

Judges or Advocates can be considered for appointment as 'Judicial Members' on tribunals. The Supreme Court further stated in no uncertain terms that members of the Indian Legal Service, even those from Grade I, could not be considered for appointment as judicial members. As per the NCLT judgment, the only persons who can be appointed to the position of 'Judicial Members' are High Court Judges, District Court judges who have atleast 5 years of service or advocates with ten years of practice. Therefore Section 85(3)(a) of the Trade Marks Act, 1999 which allows for members of the Indian Legal Service (Grade I with three years experience) to be appointed as judicial members is *ultra vires* Article 14 of the Constitution of India. The fact that persons appointed from the Indian Legal Service, have in fact, risen through the ranks to become the Chairman and Vice Chairman of the IPAB is even more problematic.

- D. **Appointment procedure:** In the NCLT judgment, the Supreme Court clearly stated that the Selection Committee for members of the Tribunal should consist of adequate number of judges, so as to act as a check against Executive abuse in the process of appointments. In the case of the NCLT, the Supreme Court held that the Selection Committee would require to consist of (i) Chief Justice or his nominee (with a casting vote) (ii) A senior Judge of the Supreme Court or the Chief Justice of a High Court & three Secretary level officers of

the Central Government (including one from the Ministry of Company Affairs). Section 85(5) & 85(6) of the Trade Marks Act, 1999 do not contain such safeguards and are therefore *ultra vires* Article 14 of the Constitution of India.

E. **Term of Office:** In the NCLT judgment, the Supreme Court held that a term of 3 years is too short and that the term should extend to atleast 5 years or 7 years with a provision for automatic re-appointment to another term. Conditional re-appointment would compromise judicial independence. The reason for this recommendation was that specialized areas require specialized expertise which can be built up only over a period of time and in order to attract younger blood to such Tribunals, it would be necessary to provide for longer terms of appointment, especially since such person cannot appear before the tribunal after having sat on it. As per Section 86 of the Trade Mark Act, 1999 a member may hold office for a term of only 5 years without any provision for reappointment. What makes the present case more egregious on this count is the fact that almost all of the judicial members appointed to the IPAB have been members of the Indian Legal Service without any prior experience in adjudication of intellectual property disputes. By the time they sit in on enough matters to gain the relevant experience, they are shown the door. As explained above, this is *ultra vires* Article 14 of the Constitution.

F. **Removal Procedure:** In the NCLT judgment, the Supreme Court held that the highest ranking officer of the Tribunal i.e. the President can be suspended only with the concurrence of the Chief Justice of India. Section 89(2) of the Trade Marks Act, 1999 states that no officer of the IPAB may be removed, except by an Order of the President of India on the grounds of proved misbehaviour or incapacity after an inquiry made by a Judge of the Supreme Court. This provision does not state whether the President is bound by the recommendations of the Supreme Court judge. Moreover, while a High Court Judge is appointed by the President on the advice of the Union Judiciary, he or she can be impeached only by the Parliament. There are no such safeguards in the case of IPAB members. Therefore S. 89(2) is *ultra vires* Article 14 in so much as it violates the 'Separation of powers' doctrine.

G. **Salaries and Allowances of the IPAB members:** As of now, Section 88 vests the entire power to regulate Salaries and Allowances of the IPAB with the Central Government. In the cases of some tribunals such as the Copyright Board, the Chairperson of the tribunal who has the rank of a High Court Judge is getting paid a measly Rs. 8000 and in order to obtain a hike in salary, he is required to approach the bureaucracy in the Ministry of Human Resources and Development. Similarly, in the present case, the bureaucracy in the DIPP has the

power to regulate the salary of the IPAB members and it is possible that they will be tempted to manipulate their salary in order to control the functioning of the IPAB. Since the salary and allowances of the IPAB members are bound to affect the functioning of the IPAB, the same can be held to be one of the fundamental pillars of 'judicial independence'. Fixation of the salaries and other emoluments and allowances of members of a judicial tribunal is an 'essential legislative' function which cannot be delegated to the Executive. For example, the salaries of Supreme and High Court Judges are decided by submitting the same to a vote of Parliament. Even the salary of the Chief Information Commissioner is pegged to that of the Chief Election Commissioner whose salary is determined by Parliament. For these reasons, Section 88 of Trade Marks Act, 1999 is *ultra vires* Article 14 of the Constitution as it compromises the judicial independence of the IPAB.

- H. **Support staff of the IPAB:** As per the Supreme Court in the NCLT case, the 'sponsoring ministry' of the Tribunal cannot be responsible for providing support to the tribunal which it has created. Instead the Supreme Court held that a different Ministry being the Ministry of Law and Justice should be responsible for administering the same. As of now the DIPP functioning under the Ministry of Commerce and Industry is the arm of the Executive responsible for providing

administrative support to the IPAB. As noted earlier, the hold of the DIPP over the IPAB is more than substantial. The DIPP lists the IPAB as one of its own wings and even lists itself as the concerned RTI authority for all matters pertaining to the IPAB. As of now, Section 90 of the Trade Marks Act, 1999 merely states that the Central Government shall provide administrative support to the IPAB. The final determination of the Ministry under the Central Government is made under the Government of India (Allocation of Business) Rules 1961. Given the pathetic state of the IPAB circuit benches and their woeful infrastructure as disclosed in the annexed newspaper clipping, the Honourable Court may pass appropriate declarations to ensure that the Ministry of Law and Justice is the ministry responsible for providing support to the IPAB.

- I. **Further employment with parent cadre after term on IPAB Bench:** In the NCLT judgment, the Supreme Court held that any person appointed to a Tribunal on deputation from the Central Government cannot hold a lien over his original job in his parent service for a period of more than one year. The logic behind this ruling was that a person who was looking to go back to his parent service in the Executive would definitely compromise his judicial independence while on the Bench. By the same logic, the rule of law should also require that a retired member be barred from accepting any further appointments from the Central Government. The

Honourable Court may therefore pass a declaration to the same effect barring members of the IPAB from maintaining a lien over their parent service for more than a year and of being offered the possibility of future government appointments.

J. The IPAB has extensive powers to decide on complicated issues and disputes in the field of intellectual property rights. Today, IPRs are a valuable business asset for any organisation and effective protection of IPR is part of the fundamental right under Article 19(1)(g) of the Constitution of India to carry on trade and business and the constitutional guarantee under Article 300-A. In these circumstances, a body that lacks judicial expertise and experience cannot be mandated with the task of adjudicating on the scope and protection of these IPRs. The exercise of powers of revocation, rectification, appeals over compulsory licensing and post-grant opposition orders etc. by the IPAB will result in a violation of the rights guaranteed to the registrant or owner of the IPR under Articles 19(1)(g) and 300-A of the Constitution.

K. It is a well-established principle that the question of determining the validity of a patent is in the exclusive domain of a Court of Law since it involves a mixed question of fact and law. The Supreme Court in the case of *Bishwanath Prasad*

Radhey Sharma v. Hindustan Metal Industries (AIR 1982 S.C. 1444) categorically stated that determination of 'novelty' and 'inventive step' of an invention was a mixed question of law and fact, depending largely on the circumstances of the case. Emphasising the complexity in determining the tests for patentability, the Supreme Court held the same to be "one of the most difficult aspects of patent law, and has led to considerable conflict of judicial opinions". This dicta of the Supreme Court has been approvingly cited by the Hon'ble Madras High Court in the case of *Bajaj Auto Ltd. v. TVS Motor Company Ltd.* MIPR 2008 (1) 217 while it was determining the validity of a patent at an interim stage. The U.S. Supreme Court has reiterated the very same proposition in the case of *Graham v. John Deere Co.* 383 U.S. 1 (1966) when it held that the "ultimate question of patent validity is one of law". It is therefore established position that the determination of patent validity is a question of law decided by Courts of Law. In the light of this fundamental principle, the impugned provisions which permit persons without any formal training in the law to adjudicate on disputes that primarily involve the construction of patents, are violative of Article 14 of the Constitution. There is no reasonable nexus between the object of these provisions, being the fair and impartial adjudication of disputes pertaining to IPRs, and the manner in which they seek to achieve such object by way of creation of the IPAB.

- L. The mindless appointment of technical members without considering the possibility of less intrusive measures, such as leaving it to the discretion of the judges to appoint a scientific advisor, as allowed by Section 115 of the Patents Act, 1970, is violative of the doctrine of proportionality. While specialised knowledge is no doubt a relevant factor to be taken into account when creating bodies that have expertise in adjudication of certain kinds of disputes, the measure adopted to bring in such specialised knowledge should also be one that is proportionate to the requirement of specialised knowledge.
- M. At present, the IPAB functions in a manner no better than any other Government Department with the same level of independence and functional autonomy. This is violative of the basic structure of the Constitution, which enshrines the principles of separation of powers and independence of the judiciary.
- N. The right to a fair and impartial system for the administration of justice is also an integral part of the right to life conferred under Article 21. The improper constitution of the IPAB disregards this fundamental right and derogates from it.

41. The petitioner craves leave of this Hon'ble Court to raise additional grounds at the time of hearing.
42. The petitioner has not filed any other writ petition or any other legal proceedings seeking the reliefs claimed in the present writ petition.
43. The petitioner has no alternative or efficacious remedy except to invoke the writ jurisdiction of this Hon'ble Court under Article 226 of the Constitution of India.
44. The territorial jurisdiction for this PIL arises within the jurisdiction of this Hon'ble Court where the principal bench of the IPAB is located.
45. The IPAB currently has no "judicial" member. Ms. S. Usha who is the present Vice-Chairperson of the Tribunal was originally appointed as technical member for trademark matters and was subsequently elevated to the position of Vice-Chairperson. However after the retirement of the former Chairperson Mr. Z.S.Negi, Ms. S. Usha is also sitting as the Judicial Member on benches along with Technical Members to hear and decide both Trade Mark and Patent matters. This is likely to lead to a severe subversion of justice, as the NCLT judgment has clearly pointed to the need to have judicial members who have qualifications that are as good as those that are appointed as High Court judges. A technical member donning the robes of a judicial member raises significant issues of competence and fair

administration of justice. The continuation of such a state of affairs at the IPAB will result in a mockery of Justice, the Rule of Law and Parliament's authority thereby leading to irreparable injury to the members of the public.

46. The petitioner therefore prays that this Honourable Court may be pleased to grant an interim injunction restraining the 2nd respondent from adjudicating any cases pending the disposal of the above writ petition and pass such further or other orders as this Hon'ble Court may deem fit and proper in the facts and circumstances of this case.

47. For the reasons mentioned above, it is prayed that this Honourable Court may pass a Writ of Declaration declaring Chapter XI of the Trade Marks Act, 1999, and Chapter XIX of the Patents Act, 1970, as *ultra vires* Articles 14, 19(1)(g), 21, 50, 245, of the Constitution of India and violative of the basic structure of the Constitution and hence void *ab initio*, in so far as it establishes the Intellectual Property Appellate Board (IPAB) and vests important judicial functions on this Board.

Solemnly affirmed at Kolkata
this the ___ day of January,
2011 and signed his name
in my presence.

BEFORE ME

NOTARY PUBLIC