Eisai Co. Ltd & Anr. vs. Satish Reddy & Anr. CS(COMM) 1169/2018

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1. Hon'ble Delhi High Court vide order dated 6 May 2019 was pleased to allow the application of the Plaintiffs (Eisai Co. Ltd. and Arena Pharmaceuticals) seeking interim injunction, restraining the Defendant (Dr. Reddy Labs) from manufacturing and dealing in their product Lorcaserin Hydrochloride Hemihydrate (LHH) as it would amount to infringement of the Plaintiffs' product patent for the compound Lorcaserin.
2. This was a case where both the Defendant and the Plaintiffs did not have a product in the Indian market and the cause of action was based on the Defendant taking steps to obtain regulatory approval and their intention to launch their product in the market.
3. While holding that the Plaintiffs had made out a strong prima facie case for grant of interim injunction, the Hon'ble Court made the following important observations:

- The suit patent is in the nature of an originating/genus patent and the various subsequent patent applications are for improvement/selection inventions, which specifically disclose and claim a particular 'species' of the genus patent, i.e. the hydrochloride hemihydrate form.
- Merely because the plaintiffs have applied for a patent separately for a specific species of the genus, it does not mean that the species patent cannot be granted or that the species patent would not fall within the coverage of the genus patent (i.e. the suit patent in the present case). Grant of a subsequent patent, which is an improvement invention, does not take the said forms out of the first/basic patent, which in the present case is the suit patent.
- With respect to the defendants' contention that the plaintiffs have not worked out the suit patent in India; the defendants had a remedy to seek a compulsory License under Sections 83 and 84 of the Patents Act, 1970.
- However, the defendants, instead of applying for either a voluntary license or a compulsory license, decided to go ahead on their own volition and seek a marketing approval. The non-working of a patent particularly for a pharmaceutical product cannot have a bearing on the rights of a patentee under Section 48 of the Patents Act, 1970.
- The balance of convenience for the grant of interim injunction lies in favour of the plaintiffs as the defendants have evidently not "cleared the way before going ahead with obtaining marketing approval for the launch of the infringing drug.
- The defendants were aware that there may be a possible challenge to its product, but they chose to go ahead to seek marketing approvals without first invoking revocation proceedings or attempting to obtain a licensee. Where litigation is bound to ensue if the defendants introduce their product, the defendants could have avoided the interlocutory injunction if they had cleared the way first.

- If the defendants are permitted to market its product pending trial, the loss to the plaintiffs cannot be compensated in terms of the money.

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