



October 22, 2021

Sh. Manoj Jain
Registrar General
High Court of Delhi
jr-rules.dhc@gov.in

Sub: Draft Delhi High Court Intellectual Property Rights Division Rules, 2021 (DHC-IPD Rules, 2021)

Dear Sir,

ALG India Law Offices LLP (“ALG”) submits these comments in response to the invitation for comments/suggestions on the draft Delhi High Court Intellectual Property Rights Division Rules, 2021 (“Draft Rules”) published on October 8, 2021.

Our key comments and suggestions, discussed in detail in the enclosed Note, are summarized as below –

1. Provisions to determine the fate of the pending erstwhile Intellectual Property Appellate Board (IPAB) cases should be included in the Draft Rules.
2. The definition of “Intellectual Property Rights (IPR)”, should be amended to clarify that only those matters where the predominant issue is related to IPR are included within the ambit of the Draft Rules.
3. The scope of jurisdiction of Intellectual Property Rights Division (IPD) should be further clarified.
4. In Rules 6-13, it should be clarified whether or not the Respondent has the right to file a Reply, and the Rules should be amended to not completely take away such right, per the principles of natural justice.
5. In Rule 16, an exemption should be included for instances where a party provides legitimate reasons for non-appearance before the Court despite being served with an advance copy.
6. In Rule 19, qualifications required for third parties who can intervene should be clarified to enable smoother and more expeditious decisions by the Court on applications for intervention.

Additional Recommendations:

7. Rules 10 and 11 should be revised to clarify their intended scope and extent, in light of the exhaustive definition of appeals given under the Draft Rules.
8. Rule 7(v) should be revised to clarify that the provision of filing evidence only upon Court’s directions is subject to Rules 7(vii) and 7(viii) which mandate filing of relevant records from the concerned IPO and documents in support of the relief sought.

9. Rule 23 (titled “Application of Statutes”) and Rule 24 (titled “General Clause”) can be clubbed with Rule 14 (titled “Procedure for Suits”), as they deal with similar law points.
10. The Rules could broadly clarify the qualifications required to be deemed an “expert”.
11. The definition of “Agent” or the language of Rule 29 could be amended to clarify whether it includes only registered trademark agents or legal practitioners as well.

We appreciate the considerable effort that has gone into the Draft Rules. We recognize the time pressures and challenges under which the Court is working, particularly in COVID19 times. We thank you for your time and consideration of these comments.

ALG India Law Offices LLP

Through

Manavi Jain, Principal

Sunidhi Bansal, Associate

**NOTE CONTAINING ALG’S COMMENTS AND SUGGESTIONS ON THE DRAFT
DELHI HIGH COURT INTELLECTUAL PROPERTY RIGHTS DIVISION RULES,
2021**

1. Provisions to determine the fate of the pending erstwhile Intellectual Property Appellate Board (IPAB) cases should be included in the Draft Rules.

1.1. ALG’s *Observation*:

The Draft Rules are silent on the fate of cases that were instituted and are pending before the erstwhile IPAB, and/or the process of their transfer to the IPD.

Recently on account of the pandemic, and before that, on account of vacancy of posts, hearings were not being scheduled at the erstwhile IPAB. This likely resulted in a backlog of cases (instituted at the IPAB while it was still functioning) currently pending disposal. The IPD is silent on the fate of these cases – whether these will be automatically transferred to the IPD, or if the Appellant has to undertake measures to enable such transfer.

1.2. ALG’s *Recommendation*:

Provisions to determine the fate of such pending IPAB cases should be included in the Rules to iron out any gaps and ambiguities for the litigants. If the Appellant has to undertake measures to enable the transfer of these cases to the IPD, such processes should also be detailed.

2. The definition of “Intellectual Property Rights (IPR)”, should be amended to clarify that only those matters where the predominant issue is related to IPR are included within the ambit of the Draft Rules.

2.1. ALG’s *Observation*:

Rule 2(i) currently defines “Intellectual Property Right (IPR)” as “*i. Rights pertaining to Patents, Copyrights, Trademarks, Geographical Indications, Plant Varieties, Designs, Semiconductor integrated circuit layout designs, Traditional Knowledge and all rights under common law, if any, associated therewith; ii. Actions seeking to enforce rights under common law including passing off, acts of unfair competition, disparagement, comparative advertising, etc.; iii. Rights seeking protection of trade secrets, breach of confidential information and related subject matters; iv. Tortious actions involving Intellectual property, privacy and publicity rights; v. Rights pertaining to data protection, data exclusivity and related matters*” as well as intermediaries’ rights and liabilities under the Information Technology Act, 2000.

Further, Rule 2(l) states that all original proceedings, appellate and other proceedings related to the above subject matters may be filed before the IPD.

While the above definition is rightly drafted broadly to include in its scope ancillary subject matters which are usually intertwined with core IP matters, the open-ended definition may result in exploitation of the special features/status of the IPD and consequently overburden the IPD with cases that may not be predominantly “IPR” cases as envisioned under these Draft Rules. Such a wide definition could also lead to forum shopping.

2.2. ALG’s *Recommendation*:

In the above definitions [contained in 2(i) and 2(l)], it should be clarified that only matters where the “predominant” subject matter is relating to an IPR can be brought before the IPD. Subject matters like privacy, unfair competition, etc. which may at times not be related to an IPR (as envisioned under these Draft Rules) at all should not be generically included in the definitions without a suitable qualification.

3. The scope of jurisdiction of Intellectual Property Rights Division (IPD) should be further clarified.

3.1. ALG’s *Observation*:

Rule 4 (titled “Jurisdiction”) currently states that “*Every IPR matter or case or proceeding or dispute filed before the IPD shall be heard and adjudicated by a Single Judge of the IPD.*”

This Rule, although titled “Jurisdiction”, appears to only indicate the composition of the IPD. The erstwhile IPAB was an appellate authority for *all* cases arising out of the decisions of the registrar under the Indian Trademarks Act, 1999, Geographical Indications of Goods (Registration and Protection) Act, 1999, Patents Act, 1970 and Copyright Act, 1957, irrespective of the territorial or pecuniary qualifications of individual matters. While Rules 2(d) and 6 of the Draft Rules discuss the aforementioned appeals, there is no express clarification on the extent and intended scope of jurisdiction of the IPD particularly for such cases. Since the IPD is a division of the Delhi High Court, the lack of an express clarification on the jurisdiction aspect may give rise to ambiguities, particularly in relation to the aforementioned appeal cases.

3.2. ALG’s *Recommendation*:

The Draft Rules should clarify the extent and scope of IPD’s jurisdiction to avoid ambiguities regarding the same. Differences, if any, between original jurisdiction of the IPD versus its appellate jurisdiction should specifically be clarified. It should also be clarified whether the IPD would have jurisdiction over cases that were pending before the erstwhile IPAB before the passing of Tribunals Reforms (Rationalization and Conditions of Service) Ordinance, 2021 (now the Tribunal Reforms Act, 2021).

- 4. In Rules 6-13, it should be clarified whether or not the Respondent has the right to file a Reply, and the Rules should be amended wherever required so as to not completely take away such right, as per the principles of natural justice.**

4.1. ALG's *Observation*:

Rule 6(viii) currently states that “*Filing of a reply would be only upon specific directions of the Court...Respondents cannot claim as a matter of right, opportunity to file a reply to such appeal...In exceptional circumstances, the Court may permit an opposite party to file a reply to such an appeal.*”

While the said Rule may help in expediting the disposal of cases, taking away the statutory right/opportunity from the Respondent to present its case by way of a Reply may be against principles of natural justice. Further, while Rules 6-13 discuss procedures for various kinds of matters before the IPD, not all Rules expressly clarify whether or not the Respondent possesses the right to file a Reply. *For instance*, Rule 7(x) reads as “*Reply, if so directed, shall be filed....*”, and implies that much like Rule 6 regarding Procedure for Appeals, filing of a Reply in an Original Petition is not by way of a right but solely on the directions of the Court. Rule 7, however, does not expressly state this. Similarly, Rules 8, 10 and 11 do not clarify whether Respondent can file a Reply by way of a right.

4.2. ALG's *Recommendation*:

Firstly, the procedure under each rule (wherever there is scope for the Respondent to file a Reply) should be clarified to expressly state whether the Respondent can file a Reply by way of a right or only on the directions of the Court. Secondly, instead of doing away with provisions giving Respondent a right to present its written case, perhaps a model akin to the one adopted for filing Affidavit of Evidence in Reply in an opposition proceeding under the Trade Marks Act, 1999 (read with the Trade Marks Rules, 2017) can be adopted. Meaning, instead of having a “barring” covenant in the Draft Rules, an “optional” one can be adopted – the right to file a Reply can be generally (but not mandatorily) given to the Respondent, subject to the discretion of the Court.

- 5. In Rule 16, an exemption should be included for instances where a party provides legitimate reasons for non-appearance before the Court despite being served with an advance copy.**

5.1. ALG's *Observation*:

Rule 16 (titled “Advance Copy”) currently states that “*In all matters filed before the IPD advance copy shall be served at the address for service as also through email at least 48 hours in advance upon the Respondents including counsels/agents...no further notice would be liable to be issued and the matter may be heard and disposed of on the first day of listing*”.

While this is a welcome change and would be helpful in achieving the purpose of expedited disposal of matters and prevention of unwarranted delays, it may be prejudicial to parties who, despite having been served with an advance copy, are unable to attend the first listing of the matter owing to legitimate reasons.

5.2. ALG's *Recommendation*:

The Rule should include a discretionary exception, to take into consideration instances where a party could not appear despite being served with an advance copy due to legitimate reasons. This is particularly needed to fill any gaps that may arise on account of transfer of matters that were instituted at the IPAB and are still in pendency. Further, the intention of the Rule appears to be for the service to be both on the physical address of service of the Respondent as well as through e-mail. Considering the legal fraternity is still transitioning to a digitized way of functioning and electronic capabilities may not be ubiquitously available to all litigants at all times, perhaps it should be clarified that service through both modes is required only when relevant details and capabilities for both are available.

6. In Rule 19, qualifications required for third parties who can intervene should be clarified to enable smoother and more expeditious decisions by the Court on applications for intervention.

6.1. ALG's *Observation*:

Rule 19 (titled "Intervention by third parties") currently allows third parties to intervene (including by way of an application) in matters listed before the IPD.

The concerned Rule is currently ambiguous as to which parties may be allowed to intervene (the Rule only requires the application to intervene to establish "nature of interest" of the party seeking an intervention). This may result in a large number of applications by third parties, including many that may fall outside the intended ambit of the Rule. The volume of such applications may also make it cumbersome for the IPD to take up and decide upon each and every application and can impede expeditious disposal of IP matters.

6.2. ALG *Recommendation*:

It should be clarified, albeit non-exhaustively, as to what parties may have an interest to intervene. This would be in the interest of furthering the core purpose of creation of the IPD, viz. expedited disposal of IP matters. A more comprehensive rule would not only catalyse constructive intervention by relevant third parties, but also save the IPD's time in attending to and adjudicating applications that fall completely outside the intended ambit of this Rule.

Additional Recommendations:

7. Rule 2(d) (titled “Appeal”) defines an “Appeal” exhaustively as one arising out of the relevant sections of the Trade Marks Act, 1999, Copyright Act, 1957, Patents Act, 1970, The Geographical Indications of Goods (Registrations and Protection) Act, 1999, The Protection of Plant Varieties and Farmers’ Rights Act, 2001, Semiconductor Integrated Circuits Layout-Design Act, 2000 and Designs Act, 2000. In light of such an exhaustive definition, Rules 10 (titled “Procedure for Regular First Appeal”) and 11 (titled “Procedure for First Appeal from Order”) should be revised to clarify the intended scope and extent of these Rules.
8. *Prima Facie*, Rules 7(v), 7(vii) and Rule 7(viii) read contrary to each other. It appears that 7(vii) and 7(viii) *mandate* the party filing an original petition to also submit all the relevant records from the concerned IPO and documents in support of the relief sought. Rule 7(v) contains the general provision about the filing of evidence and states that “*Filing of evidence maybe directed by court, only if the same is deemed necessary...*”. This appears to stand in contradiction to Rule 7(vii) and Rule 7(viii) and may give rise to some ambiguities. Rule 7(v) should be amended to add that it is subject to the provisions of Rule 7(vii) and Rule 7(viii).
9. Rule 14 (titled “Procedure for Suits”) currently states that the IPD shall be governed by the provisions of The Commercial Courts Act, 2015 as also the Delhi High Court (Original Side) Rules, 2018. The said Rule also makes the Patent Suit Rules, 2021 applicable to suits filed before the IPD. In light of this, Rule 23 (titled “Application of Statutes”) and Rule 24 (titled “General Clause”) can be clubbed with Rule 14 itself, as they deal with similar issues.
10. Rule 26 (titled “Panel of Experts”) gives Court the power to seek the assistance of experts relating to the subject matter of the dispute. It also states that the IPD may maintain a panel of experts to assist the Court and that the panel may be reviewed from time to time. Additionally, Rule 30 provides for procedures like hot-tubbing for the recordal of evidence by experts. In light of these, it will be helpful if the Rules could broadly clarify the qualifications required to be deemed an “expert”.
11. Rule 29 (titled “Patents/Trade Mark Agents”) confers the “right of audience”, including to assist the Court (along with the counsels/legal practitioners representing the parties) upon *registered* Patent agents or Trademark agents. However, Rule 2(c) defines an “agent” as one defined under the Trade Marks Act, 1999 and the Patents Act, 1970. An agent under the Trade Marks Act, 1999 includes, in addition to a registered Trade Mark Agent, a legal practitioner as well as a person in the sole and regular employment of the principal. While the title of Rule 29 uses the defined term “Agent”, the actual Rule qualifies this right to vest only with registered Patent and Trade Mark agents. Accordingly, relevant amendments should be made to clarify the scope of this Rule.