



# “Herbicide goes bananas”

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## ‘Vladimir Biriulin, Partner at Gorodissky & Partners’ discusses a complicated & lengthy case

### Injunction questioned and waived

*From the very start, this case of infringement followed a very ordinary route: a patent for a herbicide was infringed while the infringer retaliated by trying to cancel the patent because it allegedly did not comply with patentability criteria.*

Simultaneously, the patent owner fell out with one of his former colleagues who had sued him and sought injunction for the patent. The injunction was granted and in turn it became a major obstacle in examining the patent cancellation case. The case went to IP court during which it was explained that an injunction should not come in the way of examination of the patentability of a patent. As a result, a number of claims were excluded from the patent and the infringement was not proved.

This was a multifaceted case involving several persons and several courts dragging on from 2015. The conflict started after the court action which was initiated by JSC August, owner of patent No 2488999 for infringement of its patent for a herbicidal composition (Status Grand) and a method of fighting weeds (Case No A40-189533/2014). The court suit was filed to the Moscow Commercial Court against Zemlyakoff Ltd and sought to forbid the respondent to produce and market the herbicide and also stop the procedure of state registration of that herbicide.

### Chamber of Patent Disputes examines appeal!

As it often happens, the respondent retaliated by filing an appeal to the patent office seeking to cancel the patent because it did not comply with the patentability requirement ‘inventive level’. In its statement of defense the patent owner, fearing that his patent would be cancelled submitted an amended set of claims; drastically narrowing the scope of the claims. According to the appellant (Zemlyakoff), the amended claims halted grounds from under the infringement claims, which should have led to renunciation of the court claims against Zemlyakoff, the alleged infringer. Coincidentally and unrelated to the above, before the appeal was examined



by the Chamber of Patent Disputes, the representative (physical person) of the patent owner (JSC August) sued him for non payment of remuneration for rendered services in a district court far away from Moscow where the infringement case was pending. Within the framework of that remuneration court case a certain amount of money was claimed, as well as a preliminary injunction forbidding the patent office to take any action in respect of the patent; this was granted on July 20, 2016. The parties in the conflict also had earlier signed a security agreement in respect of the patent. However the owner of the patent did not register the agreement so it did not come into effect.

The respondent in the infringement case (Zemlyakoff) appealed the ruling of the district court regarding injunctive relief in the appeal court and managed to obtain a ruling overriding the ruling of the district court. The appellant (Zemlyakoff) asked the patent office to resume consideration of the appeal concerning cancellation of the patent. However this did not save the situation, the patent office did not start examination of the appeal all the same because neither the law nor regulations limit the time span during which the appeals should be examined by the Chamber of Patent Disputes.

## Plaintiff argues that case wasn't examined for long enough! ==

As a result of that, the patent office suspended examination of the patent cancellation case and of amendments to the patent claims. Furthermore, the respondent in the infringement case (Zemlyakoff) sued the patent office (the Chamber of Patent Disputes is subordinate to it) in the IP court for its reluctance to consider the patent cancellation case. Zemlyakoff (the plaintiff in this case) argued that the patent office did not examine the patent cancellation case for a long enough time (about two years) and thus violated his rights and lawful interests. The patent office pointed out in its statement of defense that the ruling on injunction had been issued by court and it forbade the patent office to take any action in respect of the patent including examine cancellation of same. It also ignored the ruling of the appeal court cancelling the injunction. The representative of the patent owner who had previously rendered services to the patent owner wanted to be engaged in the IP court procedure as a third person, however the IP court turned down the petition, explaining that the conflict concerned observance by the patent office of the administrative procedure which relates to the examination of appeals and was not a case related to the cancellation of the patent.

## The IP Courts take time limit into consideration ==

The IP court pointed out during the hearing that indeed, the hearing had been scheduled for October 2015 and since then was put off multiple times, some of these times on request

of the patent owner. The IP court recognized that in accordance with the provisions of the Code of Procedure, interested persons might apply to court and demand cancellation of unlawful decisions and actions taken by the patent office. The IP court referred to the legal position of the Constitutional Court (No 448-0 of March 10, 2016) according to which excessive or indefinite terms of examination of conflicts lead to instability of legal relations and can create uncertainty. The court rightfully noted that the absence of time limits set by law in the administrative proceedings may endow the patent office with unlimited powers to decide when a dispute will be considered, which is inadmissible by virtue of Article 46 of the Russian Constitution and the Convention on Human Rights. The Constitutional Court pointed out in its ruling that other courts had already pointed out on a number of occasions that legal regulation was not adequate in that respect and that performance of functions of the patent office were not satisfactory. Following on from that, the time limit was taken into consideration; consideration of an administrative case should be determined even before an appropriate regulation is adopted. Non-consideration of the dispute within reasonable time signifies unlawful failure of the patent office to act. The reasonable term of consideration of a case should be evaluated in each particular case from the point of view of the workload of the patent office and other objective circumstances. At the time, the appeal in question had been considered for two years already. The patent office did not refer to its workload but stated that an injunction had been imposed on the patent forbidding the patent office to take any action in respect of the patent, including examination of the appeal and taking a decision on the appeal.

## "Injunction construed too broadly" says the IP Court ==

The IP court confirmed that there was an injunction imposed on the patent but Zemlyakoff Ltd appealed the injunction in the appeal court and the injunction was cancelled. As has been mentioned above the injunction was imposed at the request of the representative of the patent owner who did not pay her and with whom there was a signed (but not registered) security interest agreement in respect of the patent. The appeal court noted that the court action, initiated by the representative of the patent owner was of proprietary nature (non-payment of remuneration) and that application of injunctive relief could not guarantee fulfilment of monetary obligation by the patent owner. Besides, the ban to take any action with regard to the patent violates the rights of Zemlyakoff Ltd. In fact, the ban to examine the appeal against the patent is an additional injunctive measure and it does not match the purpose of application of injunctive measures. Hence, the court came to the conclusion

that the patent office construed the injunction too broadly. As a result, the IP court obliged the patent office to examine the appeal against the grant of the patent within a reasonable time period and herewith, the court set the term of three months to examine the appeal and report to the court.

## Appellant tries to kill the patent completely!

In pursuance of the IP court judgment, the patent office (the Chamber of Patent Disputes) examined the appeal in October 2017. It stated that there were eight claims in the patent. Inventive level was questioned by the appellant. The appellant provided 32 sources of information (patents, publications in magazines, catalogues, even the USSR inventor's certificates) to prove that the invention lacks inventive level. The Chamber of Patent Disputes stated that the invention according to Claim 1 may be considered as evident on the basis of combination of information from a number of sources. Similar conclusions were made in respect of some of the other claims. All in all, there were more than twenty pages of detailed analysis of the patent claims and anticipating documents; this led to the Chamber of Patent Disputes also concluding that some of the claims of the invention lacked novelty. The patent owner tried to acquit himself but failed. He was compelled to submit amended version of claims, which satisfied patentability criteria. The appellant submitted additions to the appeal trying to kill the patent completely, however the Chamber of Patent Disputes preserved the patent with the amended claims. So, the patent was recognized invalid in part and a new patent was issued. The appellant was satisfied because the new claims ruled out recognition of infringement on his part.

## Finally this very long conflict was brought to an end!

