

CASE REVIEW



COURT OF APPEAL CLARIFIES PATENT REVOCATION PROCEDURE

7 February 2019

Introduction

1. In the recent decision of *Sunseap Group Pte Ltd & 2 Ors v Sun Electric Pte Ltd* [2019] SGCA 4, the Singapore Court of Appeal (the “CA”) clarified that the High Court:
 - a. does not have original jurisdiction to hear applications for patent revocation brought independently of infringement proceedings – that is, the applicant “attacks” the validity of a patent as a stand-alone application (“**Offensive Revocation Applications**”); but
 - b. has original jurisdiction to hear applications for patent revocation brought by way of defence and counterclaim in infringement proceedings (“**Defensive Revocation Applications**”).
2. The CA also provided guidelines on the drafting of pleadings in Defensive Revocation Applications.

Facts

3. The Respondent, Sun Electric Pte Ltd, was the registered proprietor of a patent in respect of a power grid system and a method of determining power consumption at building connections in the system (the “**Patent**”).
4. It sued the Appellants, comprising Sunseap Group Pte Ltd and its subsidiaries, for infringing 8 out of 12 claims in the Patent.
5. In their Defence and Counterclaim, the Appellants denied infringement and counterclaimed for an order that the Patent be revoked on the basis that it was invalid.
6. In response, the Respondent applied to strike out certain portions of the Defence and Counterclaim, asserting that the Appellants could not put in issue the validity of the Patent by way of a counterclaim in infringement proceedings.

For any queries relating to this article, please contact:

Tan Tee Jim, S.C.

tanteejim@leenlee.com.sg

Jasper Lim

jasperlim@leenlee.com.sg

Authors:

Tan Tee Jim, S.C.

Jasper Lim

With special thanks to:
Marcus Hoh (Trainee)

Lee & Lee

50 Raffles Place

#06-00 Singapore Land Tower

Singapore 048623

Tel: +65 6220 0666

For more legal updates, please visit the News & Publication Section of Lee & Lee’s website at

www.leenlee.com.sg or follow

Lee & Lee’s facebook page at

www.facebook.com/leenlee.com.sg

Disclaimer: The copyright in this document is owned by Lee & Lee. No part of this document may be reproduced without our prior written permission. The information in this update does not constitute legal advice and should not form the basis of your decision as to any course of action.

The lower courts' decisions

7. The matter was first heard by an Assistant Registrar who decided that revocation proceedings by way of a counterclaim could be commenced in the High Court at first instance, particularly where infringement proceedings were already before that High Court. The Respondent appealed against the decision to the High Court.
8. The High Court allowed the appeal. It interpreted the relevant provisions of the Patents Act as mandating that the High Court had no original jurisdiction to hear revocation proceedings. Dissatisfied, the Appellants appealed to the CA.

The CA's decision

9. The CA allowed the appeal. It held that the High Court only has original jurisdiction to determine the validity of a patent in a Defensive Revocation Application and has no original jurisdiction to hear an Offensive Revocation Application.
10. In respect of allegations that *some, but not all*, of the independent claims in a patent are infringed, the CA held that a defendant was only entitled to challenge, "by way of defence", the validity of the claims in respect of which allegations of infringement were asserted (the "**Asserted Claims**"). It would not be appropriate for the court to revoke the *entire* patent as the validity of the unasserted independent claims was not impugned.
11. The CA opined that if the defendant wishes to revoke the entire patent, it could file proceedings before the Registrar to revoke the unasserted independent claims. If the Registrar finds in its favour and the High Court finds that the asserted independent claims are invalid, the Registrar may then exercise his power under section 80 of the Patents Act to revoke the entire patent.
12. The CA advised that in infringement proceedings, the defendant is limited to challenging the validity of the Asserted Claims in its defence but in its counterclaim, the defendant may include a prayer for revocation. However, the precise wording of the prayer would depend on whether the validity of all or only some of the claims in the patent are put in issue:
 - (1) If the validity of all the claims in the patent is put in issue, the defendant may ask simply for "*an order that the patent be revoked*".
 - (2) If the validity of only some of the claims in the patent is put in issue, the defendant will be required to plead for "*an order that the patent be revoked, if the court finds that the asserted claims are invalid and as a consequence the remaining unasserted claims cannot be maintained without the invalid asserted claims*", or words to similar effect.
13. In respect of Offensive Revocation Applications, the CA held that an applicant can only revoke a patent by way of revocation proceedings before the Registrar. If he is dissatisfied, he may appeal to the High Court and thereafter, if necessary, to the Court of Appeal.
14. Finally, the CA clarified that where there are infringement proceedings pending in the High Court, a defendant in infringement proceedings must seek the leave of the court to commence an

application for revocation of the patent before the Registrar. The reasons for this are twofold. First, it avoids unnecessary costs associated with commencing proceedings in different fora. Second, it reduces the risk of conflicting decisions between the Registrar and the High Court.

Concluding remarks

15. The CA's decision provided clarification on the appropriate forum for initiating patent revocation proceedings:
 - (1) If a party faces patent infringement proceedings at the High Court, it is entitled to commence revocation proceedings by way of defence and counterclaim in the High Court;
 - (2) If a party wishes to "attack" the validity of a patent, it can only do so by way of revocation proceedings before the Registrar.
16. Finally, an applicant in a Defensive Revocation Application should be mindful of the CA's advice on framing its pleading for revocation where the patent proprietor alleges infringement of only some of the claims in the patent.

About Lee & Lee

Lee & Lee is one of Singapore's leading law firms being continuously rated over the years amongst the top law firms in Singapore. Lee & Lee remains committed to serving its clients' best interests, and continuing its tradition of excellence and integrity. The firm provides a comprehensive range of legal services to serve the differing needs of corporates, financial institutions and individuals. For more information: visit www.leenlee.com.sg.

The following partners lead our departments:

Kwa Kim Li
Managing Partner
kwakimli@leenlee.com.sg

Quek Mong Hua
Litigation & Dispute Resolution
quekmonghua@leenlee.com.sg

Owyong Thian Soo
Real Estate
owyongthiansoo@leenlee.com.sg

Tan Tee Jim, S.C.
Intellectual Property
tanteejim@leenlee.com.sg

Adrian Chan
Corporate
adrianchan@leenlee.com.sg

Louise Tan
Banking
louisetan@leenlee.com.sg