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SINGAPORE IP UPDATE: *SUNSEAP GROUP PTE LTD & 2 ORS v SUN ELECTRIC PTE LTD [2019] SGCA 4*

A. *Background to the Appeal*

In 2017, Sun Electric Pte Ltd (the "**Plaintiff**"), registered proprietor of a Singapore patent, commenced patent infringement proceedings against Sunseap Group Pte Ltd and its two other subsidiaries (the "**Defendants**"). The Defendants, in turn, sought to challenge the validity of the entire patent, including the claims which the Plaintiff was *not* relying on in the patent infringement proceedings against the Defendants (the "**Unasserted Claims**", and the term "**Asserted Claims**" will be construed accordingly).

The Plaintiff then applied to strike out parts of the Defence and Counterclaim which sought to challenge the validity of the Unasserted Claims. Subsequently, the Plaintiff applied for and was granted leave to amend its striking out summons, in effect asserting that the Defendants could not challenge the validity of *any* of the claims in the Patent by way of a counterclaim for revocation.

The Assistant Registrar held, pursuant to s 82(1)(a) of the Patents Act, that the Defendants could not challenge the validity of the Unasserted Claims by way of defence in infringement proceedings. He also held that revocation proceedings could be commenced in the High Court at first instance, particularly where infringement proceedings were already before the High Court and revocation proceedings were brought by way of counterclaim. This effectively meant that the Defendants could challenge the validity of both the Asserted Claims (by way of defence) and Unasserted Claims (by way of counterclaim) in infringement proceedings before the High Court.

The Plaintiff appealed against the Registrar's decision that revocation proceedings could be commenced in the High Court at first instance by way of counterclaim in infringement proceedings. Wei J overturned the Assistant Registrar's decision and reasoned that patent revocation requires the High Court to exercise *in rem* jurisdiction, which rendered s 16 of the Supreme Court of Judicature Act inapplicable (s 16 states, in brief, that the High Court has jurisdiction to hear and try any action *in personam* where the defendant is served with a writ of summons or any other originating process in the prescribed manner or where the defendant submits to the jurisdiction of the High Court). Wei J also found that the Patents Act did not confer on the High Court any jurisdiction to revoke patents. The Defendants appealed to the Court of Appeal.

B. *Issue before the Court of Appeal*

The issue before the Court of Appeal was whether the High Court had original jurisdiction to hear an application for revocation of a patent, in particular where such application was by way of defence and counterclaim.

C. ***Decision of Court of Appeal***

The Court of Appeal distinguished between two categories of cases which had to be dealt with separately. The first category of cases concerns applications for revocation which were brought by way of counterclaim in infringement proceedings. In this category of cases, the defendant challenges the validity and seeks the revocation of a patent in the course of "defending" itself in infringement proceedings. The second category of cases concerns applications for revocation brought independently of infringement proceedings. The applicant is thus the "attacker" who has chosen to challenge the validity of the patent on its own accord. It may have done so as a pre-emptive measure or because it is the proprietor of a similar patent.

High Court has Jurisdiction to Hear Revocation Proceedings Brought by Way of Counterclaim in Infringement Proceedings

In relation to the first category of cases, the Court of Appeal held that the High Court had original jurisdiction to determine the validity of the patent by virtue of s 67(1) of the Patents Act read with s 82(1)(a) of the Patents Act. In particular, s 67(1) of the Patents Act is a jurisdiction-conferring provision and provides that *"civil proceedings may be brought in the court by the proprietor of a patent in respect of any act alleged to infringe the patent (without prejudice to any other jurisdiction of the court) in those proceedings a claim may be made".* Once the High Court rules that the patent is invalid, the High Court also has the power to revoke the patent. This is by virtue of s 91(1) of the Patents Act.

The court then considered several scenarios:-

(a) Where the validity of the entire patent is challenged and where the court finds that the entire patent is invalid, it follows that the High Court should exercise its power to order that the invalid patent be revoked;

(b) Where all the independent claims of the patent are challenged and where the court finds that all the independent claims are invalid, the High Court should also exercise its power to order that the patent be revoked; and

(c) Where only some but not all of the independent claims of the patent are challenged, it would not be appropriate for the High Court to exercise its power to revoke the entire patent. This is because there would still be some independent claims where the validity are not impugned as those claims were not put into issue. However, the defendant would be able to seek other recourses which include a declaration of invalidity in relation to those independent claims which have been found to be invalid. In order to revoke the patent, the defendant must then apply to the Registrar to have the remaining independent claims revoked.

High Court does not have Jurisdiction to Hear Revocation Proceedings brought Independently of Infringement Proceedings

In relation to the second category of cases, the Court of Appeal concluded that the High Court did not have jurisdiction to hear an application for revocation brought independently of infringement proceedings

and the Registrar has exclusive jurisdiction to do so, by virtue of s 82(1)(d) and (2) of the Patents Act. In particular, s 82(1)(d) of the Patents Act provides that the "*the validity of a patent may be put in issue – in proceedings before the Registrar under s 80 for the revocation of the patent*". s 82(2) of the Patents Act makes it clear that s 82(1) provides a closed list of the types of proceedings in which the validity of a patent may be put in issue and therefore expressly excludes the High Court's jurisdiction in such an application.

Court does not need to exercise in rem jurisdiction before it can revoke a patent

In addition, the Court of Appeal also made it clear that an *in rem* judgment did not arise only from the court's exercise of its *in rem* jurisdiction, and may arise equally in an *in personam* action. Therefore, only *in personam* jurisdiction is necessary for the court to revoke a patent and this arises once a defendant is served in the manner prescribed in the Rules of Court or submits to the High Court's jurisdiction.

D. ***Conclusion***

The Court of Appeal's decision makes the forum where patent litigants may seek patent revocations clear, whether it is by way of counterclaim in infringement proceedings or whether it is independently of infringement proceedings.

Should you have any queries as to how this may affect your organisation or require further information, please do not hesitate to email us.

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This article is intended to be a brief note on the Court of Appeal's decision in Sunseap Group Pte Ltd & 2 Ors v Sun Electric Pte Ltd [2019] SGCA 4, and is not intended to be comprehensive nor should it be construed as legal advice. It is updated as of March 2019.