IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH : N A G P U R.

APPEAL AGAINST ORDER NO. 83 OF 2007

APPELLANT :- Garware – Wall Ropes Ltd.
A Company incorporated under the Companies Act, 1956, having its Registered office at Plot No.11, D-1 Block, M.I.D.C., Chinchwad, Pune 411 019.
Through its Company Secretary
Shri Anil Sadashiv Wagle.

...Versus...

RESPONDENTS :-
1. M/s. A.I. Chopra, Engineers & Contractors, a proprietary concern through its sole proprietor A.I.Chopra, having its Office at 8 Shirke Layout, Raj Nagar, Nagpur – 440 013.

2. Konkan Railway Corporation Ltd.
A company incorporated under the Companies Act, 1956, having its Registered Office at Plot No.6, Sector 11 Belapur Bhavan, CBD Belapur Navi Mumbai – 400 614.

[Shri A.A. Valsangkar, Adv. for appellant]
[Shri S.V. Manohar, Adv. for respdt. No.1]
[Shri R.P. Darda, Adv. for respdt. No.2]

Bombay High Court

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CORAM : A.B. CHAUDHARI, J.

Date of reserving the judgment : 11.12.2008
Date of pronouncing the judgment : 18.12.2008

J U D G M E N T

1. Heard. Admit. Heard finally by consent of the parties.

2. Being aggrieved by the order, below Exh. 4, dated 18.6.2007 in Civil Suit No.2/2007 (Garware Wall Ropes Limited...Versus...M/s A.I. Chopra & another), rejecting the application for grant of temporary injunction filed by the appellant/plaintiff, the present appeal was filed.

3. This appeal was decided by this Court by judgment and order dated 19.12.2007. In Civil Appeal No.4762/2008 decided on 1.8.2008, the Hon'ble Supreme Court of India set aside the said judgment and remitted these appellate proceedings for fresh disposal in accordance with law and also indicated the questions to be decided. Thereafter, respondent-original defendant No.1 in the instant appeal filed Civil Application

Bombay High Court

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No.6230/2008, which came to be allowed by this Court under order dated 28.8.2008. That application came to be allowed and the documents proposed to be filed with the said application were taken on record. Learned Counsel for both the parties then stated before me that the said order dated 28.8.2008 was put to challenge before the Apex Court, which dismissed the special leave petition. The appeal was taken up for final hearing with the consent of both the Counsel for the parties and was heard by me at length for a few days. Following questions fall for consideration of this Court.

(1) Whether the products patented as GSWR and Spiral Lock Systems are allegedly in use and in fact being used for more than two decades ?

(2) What is the scope and effect of Section 100 of the Patents Act, 1970 (as amended) and its impact in the present case ?

FACTS :

4. The appellant who is the original plaintiff filed suit for declaration that defendant No.1 is not entitled to manufacture,

Bombay High Court

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sell, use etc. or offer for a sale and the products patented for the plaintiff titled as "GSWR and Spiral Lock Systems bearing Patent Nos. 196240 and 201177 and for a decree for perpetual injunction. The appellant also claimed damages in the sum of Rs.5,00,000/- for the past actions with further prayer for decree for rendition of accounts for infringement of the patents. Respondent No.2 – Konkan Railway is a co-patentee with the appellant in respect of 240 patent. 240 patent manufactured by the appellant-company is primarily used in mountainous terrains for protection against boulder rockfall, mud slides, avalanche and the 177 patent i.e. Spiral Lock System is used primarily to bind two adjacent panels of boulder nets with each other, more particularly to prevent boulders/rocks from escaping from the junction of two net sections. Both 240 and 177 patents are the results of efforts of appellant in its research and development wing. On 15.3.2001 application for GSWR System was made to the controller for patent, while on 21st September, 2004, similar application was made for 177 patent – Spiral Lock System with the controller with all specifications along with drawings and after completion of all

Bombay High Court

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the technical requirements. Upon payment of renewal fees both the patents are valid. In accordance with the provisions of Patents Act, 1970 (hereinafter referred to as the Act) and the Patents Rules, 2003, (hereinafter referred to as the Rules) these patents were examined by the examiner and acting on his report after thorough scrutiny, 240 patent was sealed on 27.10.2005, while 177 patent was sealed on 23.6.2006. Needless to say that objections were invited by the controller by publication, but none were received. Respondent No.1 is a railway contractor. In or about Month of December, 2005, the appellant came to know that respondent No.1 without consent and authority from the appellant is manufacturing, using, selling and/or offering for sale, for its own commercial benefit, Steel Wire Rope Net System and Steel Spiring Lock System which are identical to and/or substantially similar to and as all essential features of plaintiffs patented GSWR System and patented Spiral Lock System resulting into infringement thereof. The appellant came to know that respondent No.1, in fact, supplied those systems to various railway authorities in response to the tenders and also participated in the

Bombay High Court

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tender which was opened on 13.4.2006, floated by Divisional Railway Manager (W) Central Railway, Mumbai. The plaintiff sent a legal notice to respondent No.1 on 18.4.2006, but respondent No.1 continued to participate and offer the said systems in response to tenders. The entire manpower of the scientists and the huge money invested by the appellant in its research and development for the said systems will be in vain, if respondent No.1 is not restrained immediately. Along with the suit the appellant also filed application for grant of temporary injunction (Exh.4). Respondent No.1 entered appearance in the suit and hotly contested the same by filing written statement as well as reply to the application for temporary injunction. Before me, respondent No.1 – Konkan Railway through its Counsel Mr. Darda supported the case of the appellant by making a statement to that effect. Respondent No.1 set up a defence that Section 100 of the Patents Act grants complete protection for using the said patents for the work of railways, which is a department of the Central Government and such contracts are signed on behalf of the President of India which is an authority in favour of respondent

Bombay High Court

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No.1 as contemplated by Section 100 of the Act. The appellant did not even provide complete specifications of the patents without which there cannot be adjudication about alleged infringement. The patents claimed by the appellant are common in use and in fact have been used for the past two decades or so. The application for temporary injunction was liable to be rejected for delay and latches on the part of the appellant. The learned trial Court, thereafter, heard both parties and rejected the application for grant of temporary injunction.

SUBMISSIONS ON BEHALF OF APPELLANT :

5. Shri A.A. Valsangkar, learned Counsel for the appellant made the following submissions :

(1) Both the patents were sealed by the controller after inviting objections and that too after considerable time from the date of application in each case. Expert examiner has examined the patents and submitted his report, pursuant to which the controller granted the patents and sealed them. Respondent No.1 never objected to or opposed the same at any point of time

Bombay High Court

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and even as on date did not institute any proceedings for revocation of the patents before the competent authority nor in the present suit respondent No.1 has filed any counter claim praying for revocation of the patents and respondent No.1 has merely by virtue of provisions of Section 107 of the Act chosen to put the aspect of revocation by way of defence. Though there may not be any presumption attached to the sealing of patents till the time there is revocation by the Civil Court, the fact of existence of patents with the appellant – plaintiff must outweigh any grounds for revocation thereof.

(2) The conduct of respondent No.1 in not opposing the patents on any ground whatsoever until the suit is filed and the fact that the patents exist since few years will be relevant to determine the grant of temporary injunction.

(3) Respondent No.1 does not dispute that he has been infringing the patents but his defence is that the Systems are known for two decades or so and further that there is a protective umbrella in the form of Section 100 of the Act, because respondent No.1 is using the products for the purposes of Government i.e.

Bombay High Court

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Indian Railways. But then according to learned Counsel, no material was placed before the trial Court in support of the defence that the Systems were in use for two decades or so and some documents have been filed for the first time in this Court, which cannot be treated as evidence in the absence of any affidavits of the concerned persons in support of those documents. Assuming that these documents can be considered by this Court then in that case contents of the affidavits of Shri Ramesh s/o Manjnath Telang and Shri Shashank s/o Moreshwar Vaidya filed before this Court in rebuttal to the said documents filed by respondent No.1 have not been controverted.

(4) Except raising the said defence that the Systems have been in use for two decades or more the written statement/reply do not cull out any other defences in specific manner which can be raised as provided by the Act and therefore, the submissions made by learned Counsel for respondent No.1 on several other aspects of defences have been made contrary to the pleadings and the defences set up for the first time in arguments and are liable to be ignored.

Bombay High Court

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(5) Reading of all the documents filed by respondent No.1 before this Court for the first time in support of this defence do not at all show that the patented Systems of the appellant/plaintiff are said to have been known and used in those papers as no specifications have been mentioned about those Systems in order to arrive at prima facie conclusion that the patented Systems are same or similar. Even otherwise the papers placed before this Court show that they are after the applications were made by the appellant to the controller.

(6) In so far as 177 patent Spiral Lock System is concerned, not a single document or affidavit has been filed even in this appeal to show that the same was being known and used for two decades or so.

(7) The patented Systems are the invention and the appellant is the true and first inventor as required by Patents Act. The Systems are not mere improvements as stated but is an invention within the meaning of Section 2(1) (j) of the Patents Act involving inventive steps.

Bombay High Court

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(8) The appellant-plaintiff exhausted the formal procedure before approaching the Civil Court having kept watch on respondent No.1 as to whether he persisted in infringement of the patents and within no time filed the suit and since the action of infringement is being continued even on date and looking to the tenure of the patents, respondent No.1 cannot be allowed to take benefits thereof at the costs of the appellant/plaintiff during the pendency of the suit which might take years together for decision. There is no delay or latches as alleged as even now the infringement continues.

(9) Respondent No.1 has specifically set up a defence about protection under Section 100 of the Patents Act but has failed to file on record any authorization by the Central Government in writing and the Agreement with the railways even in the name of President of India cannot be termed as authorization contemplated by Section 100 of the Act. Even then the Agreement relating to Secunderabad clearly provides in clause 15 thereof for payment of royalty or obtaining of licence etc. from the patentee, which shows that railways are fully aware that

Bombay High Court

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authorization in writing from Central Government was required which respondent No.1 does not have and this according to learned Counsel supports his case. Section 48 of the Act creates certain rights in favour of the patentee which cannot be taken away in the manner that is being done. Learned Counsel finally prayed for allowing the instant appeal and issuance of temporary injunction.

He cited following decisions :

(1) K. Ramu...Versus...Adyar Ananda Bghavan Muthulakshmi Bhavan [MIPR 2007 (1) 0352].

(2) Telemecanique & Controls (I) Ltd. ...Versus...Schneider Electric Industries SA [2002 (24) PTC 632 (Del) (DB)].

(3) Midas Hygiene Industries (P) Ltd. & another...Versus...Sudhir Bhatia & Ors [(2004) 3 SCC 90].

(4) Bishwanath Prasad Radhye Shyam ...Versus...Hindustan Metal Industries [AIR 1982 SC 1444].

(5) Gandhimathi Appliances Limited, Kelambakkam, Kancheepuram District, Tamil Nadu...Versus...L.G. Varadaraju and others [2001 (1) CTR 459 (Madras) (DB)].

Bombay High Court

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SUBMISSIONS ON BEHALF OF RESPONDENT NO.1:

6. Shri S.V. Manohar, learned Counsel for respondent No.1 vehemently opposed the appeal and made the following submissions :

(1) For seeking temporary injunction prima facie case, balance of convenience, availability of damages in lieu of temporary injunction and irreparable loss are the factors which in the facts of the present case are against the appellant/plaintiff and therefore, no case for temporary injunction is made out during the pendency of the suit.

(2) Indian Railways has not been made party to the suit or in the present appeal for whose benefit respondent No.1 is providing the products and installing them and in the absence of necessary party which is likely to be seriously affected with irreparable loss, no injunction can be granted.

(3) Mere registration of a patent does not confer any right on the appellant particularly because in the instant case registrations were granted by default and at any rate the Act categorically provides for revocation thereof and respondent No.1

Bombay High Court

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has specifically taken a defence making out a case of revocation or for making the patents ineffective for the reasons stated in the written statement/reply. No value therefore can be attached to the fact that there is a registration of patents.

(4) Since the Patents Act itself provides for contesting the claim made by the plaintiff on the strength of the defences provided in the Act itself even for revocation of the patents or making them ineffective by merely raising the defence without lodging a counter claim, there was no need for respondent No.1 in law to approach for revocation of the patents before the competent authority and adjudication is required to be made by the Civil Court once a suit is filed.

(5) Learned Counsel for respondent No.1 took me through the pleadings in the plaint as well as written statement/reply. Pointing out the same, he argued that in paragraph No.13 of the plaint itself there is admission that the Systems were known and what the plaintiff did was nothing more than some improvement therein. According to him by amending Act No.38 of 2002, the terminology new and useful improvement

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:42 :::

which was occurring in the definition of invention *inter alia* stands removed meaning thereby that improvement is not the invention as per Section 2 (1) (j) of the Act.

(6) The tenor of the averments in the plaint thus clearly show that these Systems were in existence and known and used for two decades or so. Therefore, no importance can be attached to the patented Systems as claimed.

(7) Respondent No.1 in addition has placed enough research material on record of this Court clearly showing the knowledge and use of the Systems in question for long number of years and even more than two decades as is clear from the research papers. The patented Systems do not indicate specifications and could not have been registered. There is neither any invention nor inventive steps as defined under the Act.

(8) Learned Counsel for respondent No.1 then took me through the documents filed before this Court for the first time in support of the defence regarding knowledge and use of the systems for more than two decades. But it is not possible to quote each and every thing here.

Bombay High Court

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(9) The delay and latches on the part of the appellant in approaching the Court and praying for temporary injunction must result into dismissal of the prayer for injunction.

(10) The appellant was not the person entitled to the grant of patents. The patents were wrongfully obtained. There is no invention *qua* the patents in question. The alleged invention was already publicly known and publicly used before the priority date of the claim in India and elsewhere. The claim made does not involve any inventive steps.

(11) Inviting my attention to Section 47 of the Act, Advocate Shri Manohar argued that the alleged rights of patentees under Section 48 of the Act are subject to the conditions specified under Section 47 of the Act and therefore, Section 47 of the Act provides for full protection to respondent No.1 since admittedly respondent No.1 is acting on behalf of the Government and for the purposes of the Government. The alleged rights of the patentees get frozen in such a event and therefore, Section 47 of the Act squarely applies in the case in hand.

Bombay High Court

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(12) Respondent No.1 is not using the Systems manufactured by him for any other commercial activity or commercial establishment except for the Indian Railways which is the Government department and therefore, it is for the purposes of Government. The appellant cannot claim any superior rights as his so called rights as patentee are subject to Section 47 of the Act.

(13) The fact that respondent No.1 is using the Systems manufactured by him only for Indian Railways and the Agreements are signed by the railway authorities in the name of President of India is enough to show that there is a written authority in favour of respondent No.1, which is spoken of in Section 100 of the Act. To insist for a separate authority in writing is absurd.

(14) As it is, the appellant has already claimed damages in the suit and that being the alternate relief available to it, the discretionary relief of temporary injunction cannot be granted and the plaintiff may work out damages and claim the same even for the future actions. Finally, Advocate Shri Manohar prayed for dismissal of the appeal with costs.

Bombay High Court

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He cited the following decisions :

(1) AIR 1982 SUPREME COURT 1444 (M/s. Bishwanath Prasad Radhey Shyam...Versus...M/s. Hindustan Metal Industries).

(2) AIR 1986 SUPREME COURT 717 (Ram Chand Bhatia...Versus...Hardyal).

DISCUSSION :

7. The Patents Act, 1970 was passed after consideration of Shri Justice N. Rajagopala Ayyangar's recommendations and the Act as well as Rules came into force on 21.4.1972. Some remaining provisions which were accepted came into force from 1.4.1978. Therefore, considerable changes were made by 1970 Act in contrast to the Patents and Designs Act 1911. The Act was amended again in March 1999 and June, 2002 to meet India's obligations under the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), which forms part of the agreement establishing the World Trade Organization (WTO). Thereafter, the Patents Amendment Act 15 of 2005 was brought into force by way of ordinance, namely, Patents (Amendment)

Bombay High Court

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Ordinance 2005 dated 26.12.2004 and ultimately was enacted as the Patents Amendment Act, 2005 which has made substantial changes. To the inventor a patent system confers certain definite advantages. The incentive for technical invention is monetary reward. In the case of machines or apparatus it is impossible to keep the invention secret since knowledge of the invention may be obtained by dismantling the machine. If a patent is obtained for the invention, the patentee gets exclusive right to use the invention for a definite period, which right can be lawfully enforced against the infringers. If he has no financial resources to work the patent, he can get monetary reward by granting licence to others or by assigning the patent. This appears to be the central idea.

8. Chapter III of the Patents Act, 1970 provides for applications for patents. Section 6 of the Act provides for the persons who are entitled to apply and it says that application can be made for a patent and for invention by the true and first inventor. Section 10 of the Act provides for specifications of the patents which must be disclosed along with the application to the controller. Section 11 of the Act provides for priority dates of

Bombay High Court

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claims of a complete specification. After receipt of application, thus, as per the said provisions, Chapter V of the Act provides for publication and examination of applications. Section 11-A of the Act provides for publication in the manner provided by the said provisions. Section 11-B of the Act provides for compulsory examination of the claims for patents by the examiner. Section 12 of the Act provides for reference by the controller to the examiner for making a report to him on the patent. Section 13 of the Act provides for the investigation etc. by examiner into the claim for the patent and preparation of report by him upon his investigation and submission thereof. Section 14 of the Act provides for consideration of such reports of examiner by the controller. Upon consideration of the said report as provided by Section 14 of the Act, the controller after complete satisfaction makes an order for grant and finally seals the patent.

9. After considering the aforesaid scheme in the Act for granting patent it would be wrong to say that the patents are granted mechanically as a matter of course. On the contrary, it clearly appears that the claim has to undergo investigation by

Bombay High Court

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examiner who is expert in the particular field and then after passing the test as contemplated by the provisions of the Act and the Rules and even after inviting the objections from public at large by making publication of the claim, the controller is supposed to grant the patent and seal it. The submission of Advocate Shri Manohar that mere registration or sealing of patent by default does not give any credence therefore does not appeal to me. Merely because there is no presumption in favour of a patent which is registered and sealed, one cannot jump to a conclusion that the fact of registration and sealing of patent should be ignored or that the Court should treat a registered and sealed patent valueless merely because a dispute has been raised by the contesting parties about the patent.

10. Chapter XII of the Act provides for revocation of patents. Section 64 of the Act provides for various grounds on which a counter claim can be filed for revocation of the patents. I quote Section 64 (1) of the Act as under.

> "Section 64 (1) : Subject to the provisions contained in this Act, a patent,

Bombay High Court

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whether granted before or after the commencement of this Act, may be revoked on a petition of any person interested or of the Central Government by the Appellate Board or on a counter-claim in a suit for infringement of the patent by the High Court on any of the following grounds that is to say -

(a) that the invention, so far as claimed in any claim of the complete specification, was claimed in a valid claim of earlier priority date contained in the complete specification of another patent granted in India;

(b) that the patent was granted on the application of a person not entitled under the provisions of this Act to apply therefor;

(c) that the patent was obtained wrongfully in contravention of the rights of the petitioner or any person under or through whom he claims;

(d) that the subject of any claim of the complete specification is not an invention within the meaning of this Act;

(e) that the invention so far as claimed in any claim of the complete

Bombay High Court

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specification is not new, having regard to what was publicly known or publicly used in India before the priority date of the claim or to what was published in India or elsewhere in any of the documents referred to in section 13;

(f) that the invention so far as claimed in any claim of the complete specification is obvious or does not involve any inventive step, having regard to what was publicly known or publicly used in India or what was published in India or elsewhere before the priority date of the claim;

(g) that the invention, so far as claimed in any claim of the complete specification, is not useful;

(h) that the complete specification does not sufficiently and fairly describe the invention and the method by which it is to be performed, that is to say, that the description of the method or the instructions for the working of the invention as contained in the complete specification are not by themselves sufficient to enable a person in India possessing average skill in, and average knowledge of, the art to which the invention relates, to work the

Bombay High Court

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invention, or that it does not disclose the best method of performing it which was known to the application for the patent and for which he was entitled to claim protection;

(i) that the scope of any claim of the complete specification is not sufficiently and clearly defined or that any claim of the complete specification is not fairly based on the matter disclosed in the specification;

(j) that the patent was obtained on a false suggestion or representation;

(k) that the subject of any claim of the complete specification is not patentable under this Act;

(l) that the invention so far as claimed in any claim of the complete specification was secretly used in India, otherwise than as mentioned in sub-section (3), before the priority date of the claim;

(m) that the applicant for the patent has failed to disclose to the Controller the information required by section 8 or has furnished information which is any material particular was false to his knowledge;

Bombay High Court

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(n) that the applicant contravened any direction for secrecy passed under section 35 or made or caused to be made an application for the grant of a patent outside India in contravention of section 39;

(o) that leave to amend the complete specification under section 57 or section 58 was obtained by fraud.

(p) that the complete specification does not disclose or wrongly mentions the source or geographical origin of biological material used for the invention;

(q) that the invention so far as claimed in any claim of the complete specification was anticipated having regard to the knowledge, oral or otherwise, available within any local or indigenous community in India or elsewhere."

11. There is no dispute that respondent No.1 has not filed any counter claim in the suit claiming revocation of the patents. Suffice it to say therefore that by raising a counter claim,

Bombay High Court

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respondent No.1 has not claimed revocation on a single ground mentioned in Section 64 of the Act. Application for 240 patent was filed on 15.3.2001, in respect of which there was a publication on 25.3.2001. The patent was sealed on 27.10.2005. Respondent No.1 for the first time according to the plaintiff infringed the patent in December, 2005. Respondent No.1 did not oppose the grant or sealing of patent in favour of the appellant in response to the publication. Respondent No.1 has not lodged any counter claim as provided by Section 64 of the Act by taking recourse to the grounds mentioned therein. It is only after the suit was filed respondent No.1 in his written statement/reply vaguely set up his defence about use of Systems for more than two decades or so in paragraph No.3 of the specific pleadings. I quote the said paragraph hereunder.

> "3. Without prejudice, it is further submitted that the plaintiff has played fraud on the authorities who have allegedly granted patent in view of the fact that the plaintiff has not disclosed that the GSWR and Spiral Lock Systems had been in use since more

Bombay High Court

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than 2-3 decades and thus cannot be said to be termed as invention by any stretch of imagination. Further, the attention of this Hon'ble Court is also invited in the averments made in Para 18, page 10 of the application, in which the plaintiff itself has submitted that the GSWR system seeks to achieve the objectives and or overcome problems and limitations of the known prior methods used for rock fall protection. It is thus submitted that as per its own admission of the plaintiff, the said systems were already in use, thus could never have been patented."

12. Section 107 of the Patents Act provides for raising of defences in a suit for infringement and states that several grounds mentioned in Section 64 of the Act shall be available as grounds for defence in such suit. But then reading of the written statement/reply does not show any other ground in defence except that both the systems had been in use since more than 2-3 decades or so and it is noteworthy that even this ground is being sought to be raised on the alleged admission of the plaintiff made in paragraph No.18 page 10 of the application. In other words, even

Bombay High Court

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for this defence there are no independent pleadings or averments made by respondent No.1. There are no elaborate pleadings anywhere in support of this defence. In the trial Court no documents were filed in support of this defence. In this Court for the first time respondent No.1 filed a bunch of documents. For me therefore there is no difficulty to come to a conclusion that respondent No.1 is not independently setting up the said defence seriously, but is merely trying to build up the said defence on the alleged admission of the plaintiff. No other defence or grounds mentioned in Section 64 r/w Section 107 of the Act have at all been mentioned anywhere in the entire written statement or reply. The submissions made by Advocate Shri Manohar therefore inviting my attention to the various grounds under Section 64 of the Act in the absence of any pleadings in defence being set up cannot be considered. It is not possible to appreciate the same on the grounds or defences mentioned in Section 64 of the Act in the absence of any pleadings or adequate pleadings of a party. Therefore, except for considering the defence that the patent was known and used for two decades or more, I refrain from

Bombay High Court

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considering the other defences in respect of which submissions were made by Advocate Shri Manohar.

13. I have already pointed out the manner in which the defence regarding knowledge and use of the Systems for two decades or more has been set up in the written statement/reply. But then I will also consider the documents placed before this Court for the first time in support of the first defence. In the first place the documents which are filed in this Court for the first time are the research papers from European countries, probably downloaded from internet. But that by itself is no reason for me to ignore them. But then fact remains that there is no affidavit of any responsible person/expert by way of evidence to support those documents. The affidavit in support of the said documents and the contents thereof would have made those documents alive. It is significant to note that these documents or the contents thereof have been strongly rebutted by affidavits of Shri Ramesh s/o Manjnath Telang a Senior Engineer with 46 years of experience and Shri Shashank s/o Moreshwar Vaidya a Senior Engineer who was working with railway and was also a Chief Engineer of Konkan

Bombay High Court

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railway. In all there are five articles which are placed before me in the compilation and both these deponents have dealt with these five articles in rebuttal. It would be useful to quote their evidence in the form of affidavit in respect of each article.

From the affidavit of Shri Ramesh s/o Manjnath Telang I quote following paragraphs:

> "ARTICLE – 1 :- I state and submit that the said article is absolutely irrelevant to the present proceedings as the said article only talks about fencing system, and does not give any specific product details. I further state that the said article only covers different aspects of tests to be conducted on the barricades and mainly addresses issues related with testing and certification of rockfall barriers in European Union."
>
> ARTICLE – 2 :- With reference to Article titled Rockfall Protection, Challenges in Design & Installation. (Pate 12 to 23) allegedly published in Erosion Control Feature Article September/October 2000, I state that it is to be noted that the said article at the outset highlights that the field of the technology is an imperfect

Bombay High Court

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science and requires experimentation and innovation.

ARTICLE – 3 :- I further state that the said article mentions only about Steel wire mesh mainly the Tecoo mesh, and does not mention any rope net system like GSWR System. The system disclosed in the said article is suitable mainly in soil cuttings having gentle slopes. The said article does not provide further details of the system disclosed therein to evaluate it with the GSWR System of the Appellant.

ARTICLE – 4 :- I state that the said article is silent about other aspects of the system stated therein to compare the same with GSWR and Spiral Lock Systems of the Appellant Company. I further state that the said article is further silent on the anchoring system used in the system stated in the said article. Additionally, the details of the net system at the intersection of the ropes are also not given to enable comparison with the GSWR System of the Appellant.

ARTICLE – 5 :- I state that the field of the invention remains evolving as is apparent from the statement that in year 2000 high tensile steel wire mesh namely TECCO was introduced. I

Bombay High Court

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further state that the said article mentions about known techniques or methods of rock fall protection, however, does not provide further details of the systems disclosed therein to evaluate it with the GSWR System of the Appellant. It is to be noted that the all the different netting systems as per the said report, except the Geobrugg's square and diagonal grid cable nets and Maccaferri's diagonal grid cable nets, are made of wires and not ropes. The Geobruggs cable nets are made of steel wire ropes."

From the affidavit of Shri Shashank Moreshwar Vaidya, I quote following paragraphs in rebuttal.

"ARTICLE– 1 :- I state that the said article talks about developing a guideline by European Organisation for technical approval (EOTA) for testing and certification of rock fall barriers. Additionally, the said article does not give any specific product details.

ARTICLE - 2 :- The said article while mentioning about advantages of Hexagonal wire mesh netting over chainlink netting, rightly differentiates both technically. I further state that

Bombay High Court

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the said article does not mention about any netting made of galvanized rope. The said article does not provide further details of the bottom anchors and do not talk about the intermediate anchoring referred to in the said article.

ARTICLE – 3 :- The said article mentions only about Steel wire mesh mainly the Tecco mesh, and does not mention any rope net system. The said article does not provide further details of the system disclosed therein to evaluate it with the GSWR System of the Appellant.

ARTICLE – 4:- The said article also mentions ring net drapery using woven rings made of wires ranging from 2 mm diameter to 5.3 mm diameter having 7 to 19 turns to form the rings. It is to be noted that the said article does not mention about other features of GSWR System including the anchoring system, etc. Additionally, the details of the net at the intersection of the ropes are also not given. Further, he said article does not provide further details of the system disclosed therein to evaluate it with the GSWR System of the Appellant.

ARTICLE – 5 :- The said article mentions about known techniques or methods of

Bombay High Court

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rock fall protection. However, the said article does not provide further details of the systems disclosed therein to evaluate it with the GSWR System of the Appellant.

I hence state that all the elements and or features of the GSWR System are not disclosed in a single document. I further opine that any given single document is silent on many aspects of the GSWR System. I further state that the GSWR System is neither a workshop improvement nor a cosmetic change to the existing methods for protection of rock-fall. "

14. Respondent No.1 did not file any affidavit in rebuttal to these affidavits filed by Shri Telang and Shri Vaidya and merely preferred to rely on the said articles in the said research papers. In such a situation, therefore, I prefer to rely upon the affidavit evidence of Shri Telang and Shri Vaidya at this prima facie stage and taking overall view of the matter, I hold that respondent No.1 has failed to prove by adequate pleadings and by affirmative evidence even prima facie that the patented products or process was known and used in India or elsewhere for two decades or so.

Bombay High Court

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The defence that has been set up in the pleadings in the trial Court is perfunctory and casual.

15. There is no explanation whatsoever by respondent No.1 as to why respondent No.1 did not oppose the grant/sealing of the patent or prayed for revocation thereof earlier to the suit and even in the suit by filing a counter claim. This conduct in my opinion, clearly shows that respondent No.1 was not serious in raising the defence as required by law.

16. The submission that even according to the appellant/plaintiff mere improvements were made in the Systems and therefore, after coming into force of the amendment by Act No.38 of 2002 the same is no more invention does not appeal to me. In the first place application was filed by the appellant on 15.3.2001, while the amendment by Act No.38 of 2002 came into force w.e.f. 20.5.2003 and therefore, even new and useful improvement was included in the definition of invention. I quote the definition of invention and inventive steps which is as under :

> "Section 2 (1) (j) : "invention" means a new product or process involving an inventive

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:43 :::

step and capable of industrial application;

Section 2 (1)(ja): "inventive step" means a feature of an invention that involves technical advance as compared to the existing knowledge or having economic significance or both and that makes the invention not obvious to a person skilled in the art. "

Perusal of the above definitions to my mind clearly show that involvement of technical advance as compared to the existing knowledge or having economic significance is an inventive step and consequently, even assuming that new and useful improvement was made in the Systems the same would be invention. There is material on record in the pleading in the plaint showing that the Systems have economic significance.

17. Section 47 of the Act reads thus :

"47. **Grant of patents to be subject to certain conditions -** The grant of a patent under this Act shall be subject to the condition that -

(1) Any machine, apparatus or other article in respect of which the patent is

Bombay High Court

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granted or any article made by using a process in respect of which the patent is granted, may be imported or made by or on behalf of the Government for the purpose merely of its own use;

(2) Any process in respect of which the patent is granted may be used by or on behalf of the Government for the purpose merely of its own use;

(3) any machine, apparatus or other article in respect of which the patent is granted or any article made by the use of the process in respect of which the patent is granted, may be made or used, and any process in respect of which the patent is granted may be used, by any person, for the purpose merely of experiment or research including the imparting of instructions to pupils; and

(4) in the case of a patent in respect of any medicine or drug, the medicine or drug may be imported by the Government for the purpose merely of its own use or for distribution in any dispensary, hospital or other medical institution maintained by or on behalf of the Government or any other dispensary, hospital or

Bombay High Court

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other medical institution which the Central Government may, having regard to the public service that such dispensary, hospital or medical institution renders, specify in this behalf by notification in the Official gazette."

Section 48 of the Act reads thus :

"**48. Rights of patentees. -** Subject to the other provisions contained in this Act and the conditions specified in section 47, a patent granted under this Act shall confer upon the patentee-

(a) where the subject-matter of the patent is a product, the exclusive right to prevent third parties, who do not have his consent, from the act of making, using, offering for sale, selling or importing for those purposes that product in India;

(b) where the subject-matter of the patent is a process, the exclusive right to prevent third parties, who do not have his consent, from the act of using that process, and from the act of using, offering for sale, selling or importing for those purposes the product obtained directly by that process in India."

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:43 :::

18. Perusal of the above two provisions clearly show that rights of the patentee under Section 48 of the Act are curtailed by provisions of Section 47 of the Act. But then careful reading of Section 47 of the Act shows that these rights are not curtailed in entirety even in respect of Government. At this stage, it would be appropriate to quote Section 156 of the Patents Act, which reads thus :

> "**Section 156 : Patent to bind Government** - Subject to the other provisions contained in this Act, a patent shall have to all intents the like effect as against Government as it has against any person."

19. The term Government is not defined under this Act. But Section 3 (23) of the General Clauses Act, 1897 defines the same which reads thus :

> ""Government" or "the Government" shall include both Central Government and any State Government".

20. Section 47 of the Patents Act provides making of such machine or apparatus by the Government which means by the

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:43 :::

Central Government and the State Government. Then the same can also be made on behalf of the Government. But then this use both by or on behalf of the Government is followed by the words merely of its own use. It is noteworthy that all Sub-Sections of Section 47 i.e. (1) (2) (3) and (4) of the Act every time uses the terminology, namely, for the purpose 'merely of its own use'.

Chapter XVII of the Patents Act in contrast to Section 47 of the Act provides for use of inventions for purposes of Central Government, State Government and Government undertakings and acquisition of inventions by Central Government. Sections 99 and 100 of the Act read thus :

> "**Section 99. Meaning of use of invention for purposes of Government -**
>
> (1) For the purposes of this Chapter, an invention is said to be used for the purposes of Government if it is made, used, exercised or vended for the purposes of the Central Government, a State Government or a Government undertaking.
>
> [***]

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:43 :::

(3) Nothing contained in this Chapter shall apply in respect of any such importation, making or using of any machine, apparatus or other article or of any such using of any process or of any such importation, using or distribution of any medicine or drug, as may be made by virtue of one or more of the conditions specified in section 47.

100. Power of Central Government to use inventions for purposes of Government –

(1) Notwithstanding anything contained in this Act, at any time after an application for a patent has been filed at the patent office or a patent has been granted, the Central Government and any person authorised in writing by it, may use the invention for the purposes of Government in accordance with the provisions of this Chapter.

(2) Where an invention has, before the priority date, of the relevant claim of the complete specification, been duly recorded in a document, or tested or tried, by or on behalf of the Government or a Government undertaking, otherwise than in consequence of the

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:43 :::

communication of the invention directly or indirectly by the patentee or by a person from whom he derives title, any use of the invention by the Central Government or any person authorised in writing by it for the purposes of Government may be made free of any royalty or other remuneration to the patentee.

(3) If and so far as the invention has not been so recorded or tried or tested as aforesaid, any use of the invention made by the Central Government or any person authorised by it under sub-section (1), at any time after grant of the patent or in consequence of any such communication as aforesaid, shall be made upon terms as may be agreed upon either before or after the use, between the Central Government or any person authorised under sub-section (1) and the patentee, or, as may in default of agreement be determined by the High Court on a reference under section 103.

[Provided that in case of any such use of any patent, the patentee shall be paid not more than adequate remuneration in the circumstances of each case, taking into account the economic value of the use of the patent.]

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:43 :::

(4) The authorisation by the Central Government in respect of an invention may be given under this section, either before or after the patent is granted and either before or after the acts in respect of which such authorisation is given or done, and may be given to any person, whether or not he is authorised directly or indirectly by the applicant or the patentee to make, use, exercise or vend the invention or import the machine, apparatus or other article or medicine or drug covered by such patent.

(5) Where an invention has been used by or with the authority of the Central Government for the purposes of Government under this section, then, except in case of national emergency or other circumstances of extreme urgency or for non-commercial use, the Government shall notify the patentee as soon as practicable of the fact and furnish him with such information as to the extent of the use of the invention as he may, from time to time, reasonably require and where the invention has been used for the purposes of a Government undertaking, the Central Government may call

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:43 :::

for such information as may be necessary for this purpose from such undertaking.

(6) The right to make, use, exercise and vend an invention for the purposes of Government under sub-section (1) shall include the right to sell, on non-commercial basis, the goods which have been made in exercise of that right, and a purchaser of goods so sold, and a person claiming through him, shall have the power to deal with the goods as if the Central Government or the person authorised under sub-section (1) were the patentee of the invention.

(7) Where in respect of a patent which has been the subject of an authorisation under this section, there is an exclusive licensee as is referred to in sub-section (3) of section 101, or where such patent has been assigned to the patentee in consideration of royalties or other benefits determined by reference to the use of the invention (including payments by way of minimum royalty), the notice directed to be given under sub-section (5) shall also be given to such exclusive licensee or assignor, as the case may be, and the reference to the patentee in sub-section

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:43 :::

(3) shall be deemed to include a reference to such assignor or exclusive licensee."

21. Perusal of the above provisions show that the said terminology 'merely of its own use' has been deliberately used in Section 47 of the Act in contrast to the provisions of Sections 99 and 100 of the Patents Act, viz. for the purposes of Government, for the purposes of Central Government, State Government or Government undertaking. The words 'merely of its own use' have been utilized with a definite purpose and it cannot be said that the Parliament used different words in Sections 47, 99 and 100 of the Act for no reasons or for no intentions. In my opinion, all these words 'merely of its own use' would mean use for the purposes of the Government by any department of the Government and use by servants and agents of the Government in performance of their duties/in discharge of their duties assigned to them irrespective of who is benefited by such use. This would not include use by any other person like contractor of railways and the meaning is strictly restricted to the direct use by any department of the Government

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:43 :::

or its servants in the performance/in the discharge of their duties. This is all the more so, because for such use contemplated by Section 47 of the Act, no payment of royalty is at all contemplated to the patentee. In terms of the doctrine of 'eminent domain' Parliament/Government is entitled to make a patent subject to such conditions as are to be found in Section 47 of the Act. In a similar manner a look at Sections 35 to 42 contained in Chapter VII of the Act will reveal that for the security and defence of India all rights of the patentees have been curtailed as the same is a sovereign function. No patentee can claim a right on a high pedestal than the Government performing sovereign function.

22. It is, thus, clear from the above provisions of Sections 99 and 100 of the Act that by using the words 'for the purposes of Government' as against 'merely of its own use' in Section 47 of the Act, the use of inventions stands extended even to the Central Government, State Government or a Government undertaking. According to me, these provisions have been made in order that the patents can be utilized by Central Government, State Government for the purposes other than purely departmental

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:43 :::

in the discharge of duties or the sovereign functions but in accordance with the terms and conditions laid down in this Chapter XVII. Under these provisions even a third person i.e. contractor like respondent No.1 can be allowed to use the patent for the purposes of Government or Government undertakings. But then that is upon the agreement or licence given by the patentee to such third person and upon of-course the payment of royalty etc.. It is clear to me that the Central Government or State Government are not entitled to use a patent free of cost as already held by me for any other purposes than 'merely of its own use' i.e. for performing the Governmental functions by the Government servants or Government departments in performance of their duties or in the discharge of their duties. The mechanism, therefore, provided by Chapter XVII is to allow even the third party, Central Government and State Government (for use other than 'merely of its own use').

23. For the above reasons,, therefore, if any other interpretation is put as contended by Advocate Shri Manohar, the net result would be that a patentee inventing a patent by

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:43 :::

utilization of huge money and manpower involving scientists, technocrats and technicians would be left high and dry and this would definitely be detrimental to the encouragement of scientific and technical advances in the country.

24. Perusal of Section 100 of the Act to my mind clearly shows that it contemplates a separate, clear and direct authority that too in writing from the Central Government and since the Central Government means its departments, the same can be given by the departments. Agreement signed by the Central Railway or its officer on behalf of President of India is for the purposes of the particular contract between the parties and it has nothing to do with the authority in writing spoken of in Section 100 of the Act. The authority can be given by the Central Government or its department under Section 100 of the Act since the Government would be required to look into the other requirements of Section 100 of the Act regarding licence from the patentee, compensation of royalty etc. and therefore, such authorization in writing cannot be said to be a mechanical act. I, therefore, do not accept the contention that the Agreement in the name of President of India

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:43 :::

signed by the officers of Railways can be a good substitute for authorization in writing contemplated by Section 100 (1) of the Act. Admittedly, no such authorization in the instant case contemplated by Section 100 of the Act exists. The decisions cited by Advocate Shri Manohar have no application on the facts of this case.

25. The last submission regarding delay and latches also does not appeal to me. The appellant/plaintiff has averred that in December, 2005, for the first time, it came to know about the infringement and immediately after one month and nine days the appellant wrote a letter to respondent No.1 to stop infringement. But then the appellant found that respondent No.1 still participated in Mumbai tender on 13.4.2006 and therefore, a legal notice was sent on 18.4.2006. Hoping that respondent No.1 would not continue its activities, the appellant remained silent for sometime, but then in December, 2006 and January 2007 the appellant found that respondent No.1 participated even in Bhuvaneshwar tender and that is why in March, 2007, the suit was filed. It is noteworthy that the infringement is still continuing and

Bombay High Court

::: Downloaded on - 09/06/2013 14:09:43 :::

therefore, I think that the cause of action is continuing and there is neither any delay nor latches on the part of the appellant/plaintiff. Respondent No.1 has not stated that henceforth he would stop infringement. That is all the more a reason for me not to accept the said ground.

26. The submission that Indian Railways is not a party to the suit is liable to be rejected since no relief is being claimed against Indian Railways and at the most it could be said to be a proper party but not a necessary party. No irreparable loss to the Indian Railways or respondent No.1 can be caused since respondent No.1 can get the licence from the appellant/patentee and continue to do his work, if so advised. Since the appellant is the patentee and the patents are in force, I do not think that the appellant can be deprived of the fruits of its patent by unauthorizedly allowing respondent No.1 to drain out its commercial profits. Hence, the balance of convenience is also in favour of the appellant.

27. To sum up, the appellant has made out a case for grant of temporary injunction pending decision of the suit filed by

Bombay High Court

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it. Hence, I make the following order.

28. Appeal Against Order No.83/2007 is allowed. The impugned order, below Exh.4, in Civil Suit No.2/2007 is quashed and set aside. Issue temporary injunction against respondent No.1 in terms of prayer clause - (a) of the application (Exh.4) in Civil Suit No.2/2007. No order as to costs.

JUDGE

Advocate Shri Manohar for respondent No.1 submits that since beginning temporary injunction order is not in operation and it is over period of about two years. He, therefore, prays for suspension of this judgment till 31.01.2009.

Learned Counsel for appellant opposes the request.

In view of the fact that no temporary injunction is operating since the date of filing of the suit, it would be proper to suspend this judgment till 31.01.2009. This judgment is, therefore, suspended till 31.01.2009.

JUDGE

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Bombay High Court

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