IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: -30.06.2008

CORAM:

THE HON'BLE MR.JUSTICE P.K.MISRA

AND

THE HON'BLE MR.JUSTICE M.SATHYANARAYANAN

O.S.A.NOS.263 AND 283 OF 2006

Mariappan ... Appellant

Vs.

1. A.R.Safiullah

2. Mr.Daniel

3. M/s Jayam Industries, Rep. by its partnerMrs.Indira Daniel, 5/10, l Arumugam Road, Sivakasi.

4. M.A.Rajabudeen, Proprietor, trading as M/s Shalimar Traders, 35/975/210A, Parambil, Kollam 691 003.

... Respondents

A.R.Safiullah ... Appellant

Vs.

1.Mr.Daniel

2. M/s Jayam Industries, Rep. by its partner Mrs.Indira Daniel 15/10, l Arumugam Road, Sivakasi.

3. M.A.Rajabudeen, Proprietor, trading as M/s Shalimar Traders, 35/975/210A, Parambil, Kollam 691 003.

4. Mariappan

... Respondents

Original Side Appeals under Order XXXVI Rules 1 & 9 of O.S.Rules and Clause 15 of Letters Patent against the common order dated 10.08.2006 made in O.A.Nos.494 and 495 of 2006 in C.S.No.448 of 2006 passed by the learned single Judge of this Court.

Mr.Arvind P Datar Sr.Counsel... for Appellant in O.S.A.No.263 of 2006
for M/s Sivam Sivanandaraj & for 4th Respondent in
Mr.P.S.Raman, Sr.Counsel ... for Appellant in O.S.A.283 of
for M/s A.A.Mohan 2006 & for first

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(Judgment of the Court was delivered by M.SATHYANARAYANAN, J)

The orders passed herein will govern the disposal of O.S.A. Nos.263 and 283 of 2006.

For the sake of convenience, the array of parties as referred in C.S.No.448 of 2006, is adopted here also.

The facts which are necessary for the disposal of this Original Side Appeals are as follows:-

One A.R.Safiullah, sole Proprietor and trading as S.A.Safiullah & Company having office at Chennai as well as Pudukottai, has instituted a suit in O.S.No.488 of 2006 on the file of this Court against Daniel, Proprietor of M/s. Jayam Traders-the first Defendant, M/s. Jayam Industries represented by its partner Tmt.Indira Daniel-second Defendant, M.A.Rajapudeen, Proprietor M/s. Shalimar Traders-third defendant and Mariyappan, trading as Sivagami Agencies, Sivakasi-the fourth Defendant praying for a judgment and decree for a permanent injunction restraining the defendants from in any manner infringing the plaintiff's registered patent under No.198079 in respect of "food-grade laminated paper, method and apparatus for manufacturing the laminated paper",

by manufacture and sale of products identical to the plaintiff's products and in the method and apparatus by which to manufactures the said product; And restraining the defendants from in any manner passing off artificial banana leaves (food-grade laminated paper) manufactured and sold by the plaintiff as and for plaintiff's artificial banana leaves (food-grade laminated paper) by using identical or deceptively similar same colour scheme, getup and layout and for destruction of all the materials and implements used for creation of the said infringing goods and for other consequential relief.

2. The plaintiff pending disposal of the said suit, filed applications in O.A.Nos.494 and 495 of 2006 respectively, praying for an ad-interim injunction restraining the Respondents/Defendants from in any manner infringing his registered patent under patent No.198079 in respect of "food-grade laminated paper, method and apparatus for manufacturing the laminated paper", by manufacture and sale of products identical to the product and in the method and apparatus by which he manufactures the said product; And for ad-interim injunction restraining the Respondents/Defendants from in any manner passing off artificial banana leaves(food-grade laminated paper) manufactured and sold by them and for applicant's artificial banana leaves (food-grade laminated paper) by using identical or deceptively similar same colour scheme, getup and layout or in any other manner.

3. The sum and substance of the averments made in both applications are as follows:-

The applicant/plaintiff submitted that he is the proprietor of patent for "food-grade laminated paper, method and apparatus for manufacture the laminated paper" granted to him in patent No.198079 with effect from 29th October, 2000 and he has also got design registered in his favour under the Designs Act which is valid till date. The applicant/plaintiff has been manufacturing and selling food-grade laminated paper resembling a banana leaf ever since the year 2000. By virtue of grant of patent under patent No.189079 with effect from August 2000,

he is exclusively entitled to manufacture the artificial food-grade laminated paper resembling a banana leaf. The applicant/plaintiff further submitted that since 2000 onwards, he sold artificial banana leaves worth more than 3.00 Lakhs. On earlier occasions there were infringements on account of the registered designs obtained by the applicant/plaintiff and therefore, he was constrained to institute number of suits against first defendant and got interim orders in his favour. When the applicant/plaintiff instituted a suit against one of the infringers at Kerala, he became aware that the 4th respondent/4th defendant has also manufacturing and selling artificial banana leaves and subsequent enquiry reveal that the defendants and connected persons are infringing the applicant/plaintiff's process and product. It is further stated by the applicant/plaintiff that the 4th respondent/4th defendant is a beneficiary associated with the third defendant and in the circumstances enumerated above, he had no other option except to file the present suit against the defendants for the larger relief to restrain them from patent infringement as well as passing off under the common law.

4. This Court had granted ex parte orders of ad-interim injunction in favour of the applicant/plaintiff.

5. The fourth respondent/4th defendant had filed application Nos.2278 and 2279 of 2006 in O.A.Nos.494 and 495 of 2006 in C.S.No.448 of 2006 for vacating the ex parte orders of ad-interim injunction granted in favour of the applicant/plaintiff. In the affidavit filed in support of the above said applications, the 4th respondent/4th defendant has stated that the claim of the applicant/plaintiff that he conceived idea of artificial laminated banana leaves for serving and storing food and it is his original, intellectual property is wholly unsustainable. It is further submitted by the 4th respondent/4th defendant that the lamination is a technology well known in India for several decades and several companies including M/s.Jailaxmi Engineering Corporation manufactured machines which are used for lamination of paper and other products and the 4th respondent/4th defendant also makes necessary dyes ready

for printing and cutting paper to a particular shape. The concept of food-grade laminated paper is well known and used all over the world and both the process of manufacture of food-grade laminated paper (method and apparatus) and the product itself are well known and used in India. It is also submitted by the 4th respondent/4th defendant that the patent obtained by the applicant/plaintiff is only the process patent and not a product patent and even at the time of pendency of the application for patent, he filed application before the concerned authority for patent pre-grant opposition and after the grant of patent also, he filed post-grant opposition and the same are pending adjudication. It is a specific case of the 4th respondent/4th defendant that the modifications made to printing machine by the applicant/plaintiff are not novel and do not constitute an invention within the meaning of Patents Act. The manufacturing process involved is nothing but laminated paper which is green in colour with a design and cut in the shape of banana leaf cannot be termed as original or intellectual property of the applicant/plaintiff and the leaf of a banana plant is a product of nature and no person can have proprietary right over such shape or even claim that he designed a banana leaf. It is also the submission of the 4th respondent/4th defendant that mere grant of patent alone does not lead to a prima facie conclusion that the Patent is valid or that it is a novel or new and he is not copying the method and process adopted by the plaintiff for manufacture of laminated paper. On a point of law, it has been contended by the 4th respondent/4th defendant, that an application for ad-interim injunction restraining him from passing off is not maintainable in terms of the provisions of the Patents Act, 1970.

6. In respect of the applications filed by the 4th respondent/4th defendant, the applicant/plaintiff has filed his reply. All the applications were dealt together and the learned single Judge has ordered application No.495 of 2006 and thereby granted ad-interim injunction restraining the respondents/defendants from in any manner passing off the artificial banana leaves (food-grade laminated paper) manufactured and sold by the respondents/defendants as and for

applicant/plaintiff's artificial banana leaves by using identical or deceptively similar same colour scheme, getup and layout till the disposal of the suit.

7. The learned single Judge, in so far as the application No.494 of 2006 is concerned, which has been filed for the relief of ad-interim injunction restraining the respondents/defendants from infringing the registered patent No.198079 in respect of food-grade laminated paper etc., has closed the said application.

8. The applicant/plaintiff aggrieved by the order of the learned single Judge in closing the application in O.A.No.494 of 2006, has filed an appeal in O.S.A.No.283 of 2006 and the 4th respondent/4th defendant aggrieved by the order of ad-interim injunction granted in O.A.No.495 of 2006 has filed an appeal in O.S.A.No.263 of 2006.

9.Now, the points for consideration in these appeals are:- (a) Whether the application for ad-interim injunction is maintainable in a suit filed under Patents Act,1970?

(b) Whether the order of ad-interim injunction granted in O.A.No.495 of 2006 restraining the 4th respondent/4th defendant from in any manner passing off artificial banana leaves (food-grade laminated paper) manufactured and sold by him as and for applicant's artificial banana leaves, is sustainable?

(c) Whether the order passed in O.A.No.494 of 2006 dismissing the application filed by the applicant/plaintiff for ad-interim injunction restraining the respondents/defendants from in any manner infringing the applicant's registered patent in respect of food-grade laminated paper, method and apparatus for manufacture laminated paper is liable to be set aside?

10. Heard Mr.Arvind P Dattar, learned senior counsel appearing for the appellant/4th respondent/4th defendant in O.S.A.No.263 of 2006 and Mr.P.S.Raman, learned senior counsel appearing for the appellant/applicant/plaintiff in O.S.A.No.283 of 2006.

11. The learned senior counsel appearing for the 4th respondent/4th defendant had made the following submissions:- (a) The patent granted to the applicant/plaintiff is not valid and that no prima facie case has been made out in his favour;

(b) The patent which is subject matter of the present dispute is not a novel or patentable invention;

(c) The applicant/plaintiff has merely copied prior Art;

(d) The suit filed is only confined to the Patents Act and all relief including the relief of passing off is only claimed vis-`-vis, the registered patent;

(e) The design of banana leaf registered in favour of the applicant/plaintiff is not a valid one;

(f) The validity of new patent granted in favour of the plaintiff/applicant is questioned and therefore, no injunction can be granted.

(g) No monopoly rights no injunction can be granted:

12. The patent granted to the applicant/plaintiff is not valid and that no prima facie case has been made out in his favour:-

The learned senior counsel appearing for the 4th respondent/4th defendant has submitted that the grant of a patent does not guarantee its validity and he invited the attention of this Court to the Patent Registration Certificate dated 20.01.2006 granted in favour of the applicant/plaintiff. A perusal of the said certificate would reveal that a patent has been granted in favour of the applicant/plaintiff to have the exclusive right to prevent third parties from making, using, offering for sale, selling or importing for those purposes the (food-grade laminated paper, method and apparatus for manufacturing the laminated paper for a period of 20 years with effect from 29.08.2000 and the said certificate also states that the patent granted is subject to the conditions that the validity of this patent is not guaranteed and that the fee prescribed for the continuance of this patent are duly

paid. The learned senior counsel for the 4th respondent/4th defendant has also drawn the attention of this Court to Section 13(4) of the Patents Act, 1970. The said provision says that the examination and investigations required under Section 12 and this Section shall not be deemed in any way to warrant the validity of any patent and no liability shall be incurred by the Central Government or any officer thereof by reason of, or in connection with, any such examination or investigation or any report or other proceedings consequent thereon. Therefore, according to the learned senior counsel in terms of Section 13(4), grant of patent in favour of the applicant/plaintiff does not ensure its validity. The learned senior counsel appearing for the 4th respondent/4th defendant has taken this Court to the judgment reported in AIR 1982 SC 1444 - M/s.Bishwanath Prasad Radhey Shyam v. M/s. Hindustan Metal Industries. In paragraph No.33 of the said judgment, the Hon'ble Supreme Court has referred to Section 13(4) of the Patents Act and held that the grant and sealing of the patent, or the decision rendered by the Controller in the case of opposition, does not guarantee the validity of the patent, which can be challenged before the High Court on various grounds in revocation or infringement proceedings.

13. The learned senior counsel for the appellant in O.S.A.No.263 of 2006/4th respondent/4th defendant has referred to the pre-grant opposition filed by the 4th respondent/4th defendant in respect of the application for patent submitted by the applicant/plaintiff. It is further submitted by the learned senior counsel that after the grant of patent also, the 4th respondent/4th defendant filed his post-grant opposition and both applications are pending adjudication. Therefore, according to the learned senior counsel, that merely because the applicant/plaintiff had obtained registration of patent, it cannot be presumed to be valid and such registration alone cannot be the basis for the applicant/plaintiff to claim that he has got a prima facie case in his favour. Now we are dealing with points on which, 4th respondent/4th defendant is making his submissions;

14. The patent which is subject matter of the present dispute is not a novel or patentable invention.

The learned senior counsel appearing for the appellant in O.S.A.No.263 of 2006/4th respondent/4th defendant has submitted that as per the patent certificate issued in favour of the applicant/plaintiff, the patent is for food-grade laminated paper, method apparatus for manufacture of laminated paper and it is not for a laminated banana leaf. The learned senior counsel further submitted that the patent obtained is only for process and not for the product if 'artificial banana leaf' and the applicant/plaintiff has miserably failed to establish as to how the patent for process is new, novelty or involves an invention or how the process is economically beneficial. Further, according to the learned senior counsel for the appellant in O.S.A.No.263 of 2006, the process of manufacture of food-grade laminated paper are well known and used in India for several decades and nothing new was involved in manufacturing a laminated paper in the shape of banana leaf. It is also submitted by the learned senior counsel that even the design of the banana leaf cannot be termed as original or the intellectual property of the applicant/plaintiff as it is a product of nature and no person including the applicant/plaintiff can hold proprietary right over such shape or even claim that he designed a banana leaf and that plastic, steel and even ceramic plates have been made in the shape and design of banana leaf for the past several years. The machineries which are used for making the paper with laminated quoting, the artificial banana leaf are made by Jailaxmi Engineering Corporation and such machineries manufactured by them have been sold all over India and therefore the manufacture of laminated paper does not involve any invention or novelty also.

15. The applicant/plaintiff has merely copied prior art:

The learned senior counsel appearing for the appellant in O.S.A.No.263 of 2006 has invited the attention of this Court to the application filed by the applicant/plaintiff for grant of patent which verbatim reveals the methodology of manufacturing laminated shape in United Kingdom and United States of America. According to the learned senior counsel, there are at least five prior patents in United Kingdom and United State of America for lamination process

and purpose and therefore no invention or novelty is involved in the manufacture of artificial banana leaf on the part of the applicant/plaintiff.

16. The suit filed is only confined to the Patents Act and all relief including the relief of passing off is only claimed vis-`-vis, the registered patent:

The learned senior counsel appearing for the appellant in O.S.A.No.263 of 2006/4th respondent/4th defendant has drawn the attention of this Court to the plaint filed in C.S.No.448 of 2006. A perusal of the same would reveal that the plaint is filed under Section 48, 104 and 108 of the Patents Act, 1970. it is a specific contention of the learned senior counsel that the relief of passing off cannot be granted under Patents Act and that the suit as framed is not maintainable in law and that the suit should have been filed combining the cause of action under Patents and Designs Act. It is also contended by the learned senior counsel, the relief of passing off can be granted under common law when there is no pleading available either in the plaint or in the affidavit filed in support of O.A.Nos.494 and 495 of 2006 claiming relief under common law and therefore the order of injunction granted in O.A.No.495 of 2006 against the appellant restraining him from passing off a product is per se unsustainable in law. The learned senior counsel also submitted that there is no mention of even the registration numbers of the design or even the features of the design on which the applicant/plaintiff claims copyright in the plaint as well as in the affidavit filed in support of the injunction applications and therefore no relief should have been granted in his favour.

17. The design of banana leaf registered in favour of the applicant/plaintiff is not a valid one:

The learned senior counsel appearing for the appellant in O.S.A.No.263 of 2006 submitted that there is nothing new or original in the same for shape and configuration of banana leaf as the banana leaf is nature's creation and the applicant/plaintiff cannot claim that he conceived the design, shape, colour and parallel nerves. The design of banana leaf on plates for consuming food is well

known and such plates have been made for decades out of silver, stainless steel, glass and ceramic and there is no novelty or innovation in the design of the artificial banana leaf on the part of the applicant/plaintiff and therefore, according to the learned senior counsel the grant of such patent in favour of the applicant/plaintiff is against the provisions of the Patents Act. Moreover the 4th respondent/4th defendant had also filed pre/post grant opposition of the patent and those applications are pending adjudication and no finality has been reached and since no finality has been reached, in view of the same, injunction regarding passing off should not have been granted in favour of the applicant/plaintiff.

18. The validity of new patent granted in favour of the plaintiff/applicant is questioned and therefore, no injunction can be granted.

Mr.Aravind. P Dattar, learned senior counsel appearing for the appellant in O.S.A.No.263 of 2006 has invited the attention of this Court to the judgment reported in AIR 1965 Madras 327- V.Manicka Thevar vs. Messrs. Star Plough Works, Melur. In paragraph 5 of the said judgment it has been stated that an interim injunction will not be granted if the patent which has been obtained by the plaintiff is a recent one and there is a serious controversy about the validity of grant of the patent itself.... In such case, Courts will not grant an interim injunction restraining the defendant from pursuing his normal business activity. In paragraph 6 of the said judgment it has been stated that the patent is a very recent one and the earlier decisions have uniformly taken a view that any patent which is less than 6 year old is regarded as a recent one. In the said decision, reliance was placed upon the Statement of the law in Terrell on Patent, 9th Edition pages 318 to 320 and the decision reported in 52 Calcutta Weekly Notes 253.

19. The learned senior counsel for the 4th respondent/4th defendant also drawn to the attention of the Court to the decision reported in AIR 1985 Delhi 136 - M/s.Niky Tasha India Private Ltd., v. M/s.Faridabad Gas Gadgets Private Ltd. wherein the same question has been reiterated and so also the decision reported

in AIR 1996 Calcutta page 367 Hindusthan Lever Limited vs. Godrej Soaps Limited and others. The learned senior counsel also placed reliance upon the judgment reported in AIR 2000 Delhi page 23 - M/s. Standipack Pvt. Ltd. and another vs. M/s. Oswal Trading Co., Ltd. wherein it has been laid down that when an application filed for revocation of patent and questioning the validity of patent is pending, injunction cannot be granted. It is also submitted by the learned senior counsel that as per Section 23 of the Designs Act, 2000, provisions of Patent Act pertaining to validity of patents apply to the Designs Act and consequently the provisions therein had case laws on that subject can be applied to the Design registered by the applicant/plaintiff.

20. No monopoly rights no injunction can be granted:

The learned senior counsel appearing for the appellant in O.S.A.No.263 of 2006 reiterated the submissions that since 4th respondent/4th defendant had already filed necessary applications pre-grant as well as post-grant oppositions to the patent and there is serious doubt regarding the grant of patent in favour of the applicant/plaintiff, the learned single Judge ought not to have granted ad-interim injunction restraining the 4th respondent/4th defendant from passing off his product namely artificial banana leaves. The learned senior counsel further submitted that there are prima facie materials to show that patent and designs are not validly registered. The order of ad-interim injunction granted in favour of the applicant/plaintiff created a monopoly in favour of the applicant/plaintiff and the same is unsustainable in law and on facts. The learned senior counsel further submitted that in the absence of any pleadings claiming equitable relief of injunction under common law, the grant of ad-interim injunction under Patents Act in favour of the applicant/plaintiff is prima facie unsustainable in law. It is also submitted by the learned senior counsel that the applicant/plaintiff miserably failed to establish the ingredients for grant of ad-interim injunction in his favour and therefore the interim order granted in O.A.No.495 of 2006 is liable to be set aside and consequently the O.S.A.No.263 of 2006 is to be allowed.

21. Per contra, Mr.P.S.Raman learned senior counsel appearing for the appellant in O.S.A No.283 of2006/Applicant/Plaintiff has submitted that patent has been granted to the applicant/plaintiff and it should be protected. It is further submitted that once an invention is made, it is easier to state that it is very obvious but until such, the present invention is made by the applicant/plaintiff, nobody has thought to incorporate the food-grade laminated paper in the form of banana leaf and more importantly incorporate its natural features of temperature retention and flavour through artificial means.

22. The learned senior counsel for the applicant/plaintiff further submitted that ever since the year 2000, he has been manufacturing and selling food-grade laminated paper resembling banana leaf and a design was also registered in his favour under the Designs Act, which is valid till date. Afterwards, patent was granted to him with effect from 29th August, 2000 and thereby, the applicant/plaintiff is exclusively entitled to manufacture artificial food-grade laminated paper resembling banana leaf. Moreover, the applicant/plaintiff had sold artificial banana leaf and earned 3.00 Crores of rupees right from the year 2000. The applicant/plaintiff regularly taken action against the infringers on account of their registered designs and one such suit was filed against the first respondent/first defendant at Pudukottai, which was ultimately transferred to this Court and an order of ad-interim injunction was granted in favour of the applicant/plaintiff. The applicant/plaintiff became aware when he took action against another infringer at Kerala that the 4th respondent/4th defendant is also manufacturing and selling identical artificial laminated banana leaves and all the respondents/defendants were colluding with each other in the manufacture of artificial banana leaf.

23. As regards the contention put-forth by the 4th respondent/4th defendant the applicant/plaintiff is using the machinery supplied by M/s. Jailaxmi Engineering Corporation, used by Jayam Industries, the learned senior counsel appearing for the applicant/plaintiff submitted that the applicant's firm has already manufacturing betel nut and the said machinery is used for the purpose of

packing the betel nut in sachets. It is further submitted that merely because the results of the patent examiners are not to be concluded conclusive, it cannot be said that the patent can be infringed. As long as the patent is in existence, nobody can use the same except without the permission of the applicant/plaintiff.

24. The learned senior counsel further submitted that the patent obtained by the applicant/plaintiff is both for process and product and it is a new, novel and is having economic significance and it is an inventive step. As regards the contentions raised by the 4th respondent/4th defendant that in a suit instituted under the Patents Act, no interim order can be granted regarding passing off, it is submitted by the learned counsel appearing for the applicant/plaintiff that Section 48 of the Patents Act, 1970 speaks about the rights of patentees. As per the Section 48(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";

Section 48(b) says that "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 the process in India".

Therefore, the interim order granted by this Court in O.A.No.495 of 2006 restraining the respondents/defendants from in any manner passing off the artificial banana leaves manufactured and sold by the applicant/plaintiff, is sustainable as it was passed to protect the right of the patent holder. The learned senior counsel appearing for the applicant/plaintiff in support of his submissions has placed reliance upon (i)1886 Vol.III. RPC page 379 - Rothwell v. King (ii)AIR 1929 Privy Council 38 - Pope Appliance Corporation vs. Spanish River Pulp and Paper Mills Ltd.

(iii)AIR 1930 Privy Council 1- Canadian General Electric Co. Ltd., vs. Fada Radio Ltd.

(iv)AIR 1936 Bombay 99 - Lallubhai Chakubhai Jariwala vs. Chimanlal Chunilal and Co.

(v)AIR 1953 Nagpur 154 - The Bombay Agarwal Co., Akola vs. Ramchand Diwanchand and another.

(vi)AIR 1969 Bombay 255 - Farbwerke Hoechst Aktiengesellschaft vormals Meister Lucius & Bruning a Corporation etc., vs. Unichem Laboratories and others.

(vii)AIR 1978 Delhi 1 - Raj Prakash vs. Mangat Ram Choudhary and others.

(viii)AIR 1985 Delhi 244 - Tobu Enterprises (P) Ltd., vs. M/s.Joginder Metal Works and another.

(ix)(2000)3 MLJ .85 (DB) - Gandhimathi Appliances Limited, Kelambakkam, Kancheepuram District, Tamil Nadu v. L.G.Varadaraju and others, (x)2002(24) PTC 632 (Del) (DB) - Telemecanique & Controls (I) Limited vs. Schneider Electric Industries SA.

(xi)2006(32) PTC 65 (Mad.) (DB) - Wockhardt Limited vs. Hetero Drugs Ltd., & Ors.

(xii)2007(34) PTC 668 (Del) (DB) - Time Warner Entertainment Company, L.p. & Others vs. RPG Netcom.

(xiii)2007(2) 907 - K.Ramu vs. Adyar Ananda Bhavan, Chennai.

(xiv) MIPR 2008(1) 0217 - Bajaj Auto Ltd., State of Maharashtra rep. by S.Ravikumar vs. TVS Motor Company Ltd.

25. The learned senior counsel appearing for the 4th respondent/4th defendant/appellant in O.S.A.No.263 of 2006 in the course of his arguments, invited the attention of this Court to the various judgments.

26. In AIR 1965 Madras 627 V.Manicka Thevar vs. Star Plough Works, it has been held that "an interim injunction will not be granted if the patent which has been obtained by the plaintiff is a recent one and there is a serious controversy about the validity of grant of the patent itself. In other words, Courts will not grant an order of interim injunction if the defendant disputes validity of the grant". It has been further held that "any patent which is less than six year old is regarded as a recent one". The learned senior counsel appearing for the 4th respondent/4th defendant submitted that already objections in the form of pre-grant opposition and post-grant opposition had been filed and that the patent granted in favour of the applicant/plaintiff is a serious one, learned single Judge has committed an error in granting interim injunction restraining the 4th respondent/4th defendant from passing off the product.

27. In AIR 1982 Supreme Court 1144 - M/s.Bishwanath Prasad Radhey Shyam v. M/s. Hindustan Metal Industries it has been held that for granting of patent, it must have novelty and utility and the fact that controller has granted patent does not give rise to the presumption in view of the validity of the patent. The learned senior counsel based on the said decision, submitted that the applicant/plaintiff has merely copied the prior art of manufacture of laminated paper which is in existence for several decades and that the design of artificial banana leaf cannot be termed as a new design as it is nature's creation. It was also submitted that the patent granted in favour of the applicant/plaintiff is less than 6 years old and in view of the pre and post grant oppositions raised by the 4th respondent/4th defendant, which is pending adjudication before the competent authority injunction should not have been granted.

28. As regards the submissions made by the learned senior counsel appearing for the 4th respondent/4th defendant that if the design is of a recent one, no injunction should be granted and that a serious question as to the validity of the patent is also pending adjudication, preclude the Court from granting injunction, reliance was placed upon in the judgment reported in AIR 1985 Delhi 136. In AIR 1996 Calcutta 367 relied upon by the learned counsel appearing for the 4th

respondent/4th defendant, it has been held that Courts will not grant interlocutory injunction unless it satisfied that there is a real probability of plaintiff succeeding the trial of the suit especially when the design is of a recent one. Similar view has been taken in the judgment reported in AIR 2000 Delhi 23, wherein it has been held that when an application is filed for revocation of patent and questioning the validity of patent, injunction cannot be granted. In the said judgment it has been further held that pillow pouch of engine oil is merely an arrangement and rearrangement of mixture of material and it cannot be termed as a novel concept and therefore it cannot become invention as it is only improvement. As far as the case on hand, the learned senior counsel for the 4th respondent/4th defendant submitted that the patent obtained by the applicant/plaintiff is a process patent and the artificial banana leaf was made by using the laminated paper and that the design of artificial banana leaf is based upon the banana leaf which is natures creation and therefore, there is no invention involved. Therefore, according to the learned senior counsel appearing for the 4th respondent/4th defendant that in view of the above said legal principles enunciated in the various judicial pronouncements, the interim injunction granted in favour of the applicant/plaintiff restraining the 4th respondent/4th defendant from passing off of the product namely artificial banana leaf is unsustainable in law and on facts and that the applicant/plaintiff has not established any prima facie case or balance of convenience to grant such an order.

29. Mr.P.S.Raman, learned senior counsel appearing for the applicant/plaintiff also placed reliance upon number of judgments as stated above. According to the learned senior counsel appearing for the applicant/plaintiff, that the dictum land down in the judgment reported in AIR 1965 Madras 327- V.Manicka Thevar vs. Messrs. Star Plough Works, Melur which says that a patent can be considered as a recent one if it is less than 6 years old, requires reconsideration in view of the present context. The learned counsel invited the attention of this Court to the judgment reported in 1886 RPC 379 - MOSS v. MALINGS; it has been referred

to in the judgment reported in AIR 1965 Madras 327. In the said judgment, the 6 years period for the age of the patent came to be fixed on the facts and circumstances of the said case. It is further submitted that in view of Section 48(b) of the Patents Act,1970 if it is a process patent, the patent holder is having right to prevent third parties who do not have his consent and using that process and from offering for sale, importing for those process, the product obtained by that process in India directly.

30. In AIR 1929 Privy Council 38 - Pop Appliance Corporation v. Spanish River Pulp and Paper Mills Ltd. a test for patent infringement has been stated and the same is extracted below:-

> "Test is would a man who was grappling with the problem solved by the patent attacked and having no knowledge of that patent if he had the alleged anticipation in his hand, have said, "that gives me what I wish"? British Thompson Houston Co. v. Metropolitan Cickers Electrical Co. 45 R.P.C. at p.23, Otto v. Linford, (1882) 46 L.T.N.S.35; Flour Oxidising Co. v. Car & Co., 25 R.P.C. at p.457; and Armstrong Whitworth & Co. v. Hard Castle, 42 R.P.. 543; Foll.
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> It cannot be too carefully kept in mind in patent law that in order to render a document a prior publication of an invention it must be shown that it publishes to the world the whole invention, i.e., all that is material to instruct the public how to put the invention in practice. It is not enough that there should be suggestions which, taken with suggestions derived from other and independent documents, may be shown to foreshadow the invention or important steps in it. British Ore Concentration Syndicate Ltd. v. Minerals Separation Ltd: 26 R.P.C. 147 Foll.
>
> In almost every patent for mechanical combinations the elements are old. It must also be considered that there may be inventions in what, after all, is only simplification. After all, invention is finding out something which has not been found by other people. The quid to the patentee is the monopoly; the qua is that it presents to the public the knowledge which they have not got. The real invention often may be and is just the last element of the combination. In every case arises a question of fact, whether the contrivance before in use was so similar to that which the patentee claims that there is no invention in the difference. The contrivance must be a contrivance in use, not one merely described but the analogous use is not one merely described but the application

of well known things to an analogous use is not the proper subject for a patent. Harwood v. Great Northern Ry. Co., 11 H.L.C. 654 and Margan & Coov. Win Dover & Co., the C.Spring case, 7 R.P.C. 131, Foll."

31. In AIR 1930 Privy Council 1 - Canadian General Electric Co. Ltd. v. Fada Radio Ltd., the judgment of Maclean, J., in his judgment at page 393 of the Record has been extracted, which runs as follows:-

"There must be a substantial exercise of the inventive power or inventive genius, though it may in cases be very slight. Slight alterations or improvements may produce important results, and may disclose great ingenuity. Sometimes it is a combination that is the invention; if the invention requires independent thought ingenuity and skill, producing in a distinctive form a more efficient result, converting a comparatively detective apparatus into a useful and efficient one, rejecting what is bad and useless in former attempts and retaining what is useful, and uniting them all into an apparatus which, taken as a whole, is novel, there is subject matter. A new combination of well known devices, and the application thereof to new and useful purpose, may require invention to produce it and may be good subject matter for a patent."

32. In AIR 1936 Bombay 99 - Lallubhai Chakubhai Jariwala vs. Chimanlal Chunilal and Co. it has been held as follows:

"The subject-matter of a patent must be a new manufacture or art, for, if there is no new manufacture or art, there is no subject-matter and therefore no invention. The question whether there is an invention is a question of fact in each case. A new and useful application of an old principle may be good subject-matter. An improvement on something known may also afford subject-matter; so also a new combination of different matters already known. A patentable combination is one in which the component elements are so combined as to produce a new result or to arrive at an old result in a better or more expeditious or more economical manner. If the result produced by the combination is either a new article or a better or a cheaper article than before, the combination may afford subject-matter for a patent. The mere collocation of two or more things however without some exercise of the inventive factually in combining them is not subject-matter for a patent. In the case of a combination the inventor may have taken a great many things which are common knowledge and acted on a number of principles which are well known."

33. In AIR 1953 Nagpur 54 - The Bombay Agarwal Co., Akola vs. Ramchand Diwanchand and another, it has held that:

> "Accordingly to the claim, which is not so adequately described except in the preamble, it is an "improved powder composition for cold and hot drink from grain husk" and in the specifications it is stated:
>
> "The invention relates to the preparation of an improved powder composition used for cold or hot drink, for consumption by poor people. This powder is mainly prepared from corn husk. The most suitable grain husk used of gram and Tur (pulse)."
>
> It is to be stated that the subject-matter of the patent was not attacked on the ground of insufficiency. At the stage of this appeal we questioned the learned counsel for the respondents about the clauses under which he impugned the patent, and he confined himself to cls. (d) and (e) of S. 26(1), Patents and Designs Act. These clauses read as follows:
>
> "(d) that the invention was not, at the date of the patent, a manner of new manufacture or improvement;
>
> (e) that the invention does not involve any inventive step, having regard to what was known or used prior to the date of the patent."
>
> Similarly, it is obvious that the utility of the invention, which is the subject-matter of cl. (f) is not questioned. Indeed, the greatest proof of the utility of the invention (if upheld) would be the proof of direct imitation by others."

34. Further in para 50-51 it has been held that once the subject matter, utility and novelty are to be found, the Courts should do everything to uphold a patent and not defeat it.

35. In AIR 1969 Bombay 255 - Farwerke Hoechst Aktiengesellschaft vormals Meister Lucius & Bruning a Corporation etc., vs. Unichem Laboratories and others, it has been stated what is meant by novelty and invention as extracted herein:

> "From what is discussed in the preceding paragraph it will therefore, be clear that the main heads of the alleged invalidity of the plaintiffs' patent on which the defendants rely by way of defence are only four viz., (1) insufficiency of description; (2) want of novelty; (3) no inventive step and (4) want of utility. It

may be stated that the onus in regard to all objections to validity lies on the defendant. (Halsbury, (3rd Ed.) Vol.29 p. 106 paragraph 218). I shall now proceed to deal with each of those grounds.

15. That brings me to the next ground of alleged invalidity of the plaintiffs' patent viz., want of novelty. The test of novelty as formulated by Halsbury, (3rd edn.) Vol.29 p. 27 Para 58) is in the following terms: "To anticipate a patent, a prior publication or activity must contain the whole of the invention impugned; i.e., all the features by which the particular claim attacked is limited. In other words, the anticipation must be such as to describe, or be an infringement of the claim attacked." The starting materials for the purpose of claim No.11 were the thioureas corresponding to the ureas invented and claim No.11 itself states in specific terms that the radicals R and R. 1 in the formula of the thioureas set out therein must have the meanings given to them in claim No.1. That would mean that the radical R must be limited in regard to the number of Carbon atoms in the manner stated in claim No.1, and the radical R. 1 must also be limited in regard to the number of Carbon atoms, in the manner stated in claim No.1. Dr.Aumuller was asked in examination-in-chief a question as to why the radicals R and R1 in the specification (Ex.) are limited in the manner therein stated, and his answer was "because only such products had been taken into the patent which lower the blood-sugar", or in other words for obtaining a hypoglycaemic effect particular radicals were selected by a process of testing on animals. It would follow that if the Carbon atoms in R. or R.1 were more or less than the number specified in claim No.1, hypoglycaemic property would not be obtained, and that has been stated explicitly by Dr.Bander in the course of his examination-in-chief. The evidence on record shows that it was known that amino-sulphonamides had anti-diabetic properties. Many sulphoylureas were also known, but they were all with the wrong radicals at either end and it was known that they could have anti-diabetic properties if they were activated by certain radicals. That was the prior art and, in that state of knowledge, it was not possible for a skilled chemist to predict that the combining of the two starting materials mentioned in the plaintiffs' patent would produce compounds which would have hypoglycaemic properties. The idea which is new in the plaintiffs' patent is the discovery that a useful anti-diabetic preparation could be obtained by constructing a molecule with a sulphonylurea in the middle and carefully planned lumps of radicals at either end. The novelty in the plaintiffs' patent lies entirely in the R and R.1. What is new in the plaintiffs' patent is that it was discovered that it was possible to have the desired anti-diabetic properties, without producing undesirable toxic or anti-bacterial effects of known sulphonamides like I.P. T.D., by modifying the structure of the sulphonylurea in

a particular way. The way in which that new idea was sought to be applied was (1) to select proper material having certain characteristics; (2) to react them together and (3) to obtain the product, directly or indirectly. I therefore hold that the objection to the validity of the plaintiffs' patent on the ground of want of novelty must stand rejected.

The principles on which, and limits within which, an invention consisting of the production of new substances by known methods from known materials can be supported from the point of view of subject-matter, which are:- (i) An invention consisting of the production of new substance from known materials by known methods cannot be held to possess subject-matter merely on the ground that the substances produced are new, for the substances produced may serve no useful purpose, in which case the inventor will have contributed nothing to the common stock of useful knowledge (the methods and materials employed being already known) or of useful materials (the substances produced being, ex hypothesis, useless).

(ii) Such an invention may, however be held to possess subject-matter provided the substances produced are not only new but useful, though this is subject to the qualification that the substances produced must be truly new, as opposed to being merely additional members of a known series (such as the homologues) and that their useful qualities must be the inventor's own discovery as opposed to mere verification by him of previous predictions.

(iii) Even where an invention consists of the production of further members of a known series whose useful attributes have already been described or predicted, it may possess sufficient subject-matter to support a valid patent provided the somewhat stringent conditions prescribed by Maugham J., as he then was, in I.G. Farbenindustrie A. G.'s Patents, (1930) 47 RPC 289 as essential to the validity of a selection patent are satisfied, i.e. the patent must be based on some substantial advantage to be gained from the use of the selected members of the known series or family of substances, the whole (or substantially the whole) of the selected members must possess this advantage, and this advantage must be peculiar (or substantially peculiar) to the selected group."

36. In AIR 1978 Delhi 1 - Raj Prakash vs. Mangat Ram Choudhary and others. the effect of grant of patent has been discussed, which runs as follows:-

"The effect of the grant of a patent is quid pro quo, quid is the knowledge disclosed to the public and quo is the monopoly granted for the term of the patent. S.12 of the Patents and Designs Act, 1911 sets out that a patent once

granted confers on the patentee the exclusive privilege of making, selling and using the invention throughout India and of authorising others so to do. This is the quo. The quid is compliance with the various provisions resulting in the grant of the patent. The very simple device upheld in John Lord Hinde v. Osborne Garrett, and Co., 1884 (1) R.P.C. 221 and an infringing hair-pin was held as piracy of the plaintiff's invention with the following observations:-

"The inventor says, I ask you, the public, or rather I ask the Crown, to give me a monopoly for a certain number of years, and in consideration of their giving me that monopoly I will tell them in my specification the nature and manner of using the invention. I claim, and therefore at the expiration of the time that is guaranteed for my monopoly the public will be the gainers because they will learn how to do this. If a man obtains a patent, and thus obtains a monopoly, it makes no difference that somebody else who has not got a patent has thought of the same thing and has used it. He is not permitted to do that where the monopoly has been secured to an inventor."

This law is codified in India by the provisions, already referred to.

The patented article or where there is a process, then the process, has to be compared with the infringing article or process to find out whether the patent has been infringed. This is the simplest way and indeed the only sure way to find out whether there is piracy. This is what was done in the hair-pin case, above-referred to, and is indeed, always done. Unessential features in an infringing article or process are of no account. If the infringing goods are made with the same object in view which is attained by the patented article them a minor variation does not mean that there is no piracy. A person is guilty of infringement if he makes what is in substance the equivalent of the patented article. Some trifling or unessential variation has to be ignored. There is a catena of authority in support of this view. We need not cite all those cases which were brought to our notice at the Bar. Suffice it to quote the words of Lord. Denning, M.R. in Beecham Group Ltd. v. Bristol Laboratories Ltd. 1967 R.P.C. 406:-

"The evidence here shows that in marking hetacillin in the United States the defendants use a principal part of the processes which are protected here by the English patents. The importation and sale here is prima facie an infringement.

There is a further point. A person is guilty of infringement if he makes what is in substance the equivalent of the patented article. He cannot get out of it by some trifling or unessential variation..... On the evidence as it stands, there is ground for saying that hetacillin is medically equivalent "to ampicillin. As soon

> as it is put into the human body, it does, after an interval, by delayed action, have the same effect as ampicillin. In these circumstances, I think there is a prima facie case for saying there was an infringement. The process is so similar and the product so equivalent that it is in substance the same as ampicillin."

37. In AIR 1985 Delhi 244 - Tobu Enterprises (P) Ltd., vs. M/s.Joginder Metal Works and another, it has been held that a person complaining infringement of his design can certainly ask for accounts from the defendant to show the profits earned by the defendant by unlawful using the design as a registered proprietor and the plaintiff might say that the profit earned by the defendant would be loss sustained by him which he could claim damages. It was further held that a suit for permanent injunction restraining the infringement of a registered design and for rendition of accounts is maintainable.

38. In (2000)3 MLJ .85 (DB)- Gandhimathi Appliances Limited, Kelambakkam, Kancheepuram District, Tamil Nadu v. L.G.Varadaraju and others, the effect of grant of patent in respect of table top wet grinder and its infringement has been discussed in detail and it has been held as follows:-

> "The prior law in England on this aspect of the presumption of the validity of the patent as set out in the case of Smith v. Grigg Ltd., 41 R.P.C. 149, by Lord Justice Atkins who along with - Scrutton, L.J. decided that case and who observed that, "I think the reason for the principle which has been adopted in respect of a person claiming an interlocutory injunction restraining the infringement of a patent, is, that the plaintiff has always to establish at any rate a prima facie case of having a right which has been infringed by the defendant, and according to our patent law, which in this respect I think differs from that of some other countries, the mere fact of the granting of a patent is not in itself an indication that the plaintiff has established to the satisfaction of any authority that he has the right to the monopoly which he claims. In a case of a patent therefore the mere fact that a patent has been granted does not show that those conditions have been performed which alone entitle a plaintiff to a conclusive right, and therefore the courts when they are approached by a plaintiff who says: "I am the owner of a patent, and the defendant has infringed it, "say where the patent is of recent date: "Your right is not established sufficiently by the mere fact that a patent has been granted to you"; and unless there is some kind

> of substantial case evidenced before the Court that there is in fact a valid patent, then the Court refuses to grant an injunction".
>
> Though some of the High Courts in India have referred to and relied on the case of Smith v. Gregg, 41 R.P.C. 149, we must, having regard to the development of the law in England where that case is no longer regarded as having laid down a right principle with regard to the value to be attached to the patent already granted to a plaintiff, hold that the grant of patent is indeed a factor to be taken note of while considering the plaintiffs' right to an interlocutory injunction".

Ultimately in the said decision it was held that having regard to the fact that such a product had never been on the market, and the fact that ingenuity and skill have in fact been displayed by the plaintiffs in manufacturing the product, the further fact it has achieved commercial success, is yet another factor which must be held to be in favour of the plaintiffs while considering the grant of discretionary relief of temporary injunction. It was also held that the success that had been achieved by the defendant by infringing the patent within the short span of one year also indicates the need of protecting the interest of the plaintiffs and therefore, plaintiffs are entitled, so long as it's patent to be upheld to a monopoly for its invention. Ultimately in the said decision the Court has granted an order of injunction against the defendant for infringement of the patents of the plaintiffs and the defendants therein was restrained from manufacturing and marketing the product similar to the plaintiffs'. The order of interim injunction was granted in favour of the plaintiffs subject to the condition that the plaintiffs shall give undertaking to compensate the defendant in damages in the event of the plaintiffs not succeeding at the trial of the action. Therefore, the sum and substance of the said decision is that if there is an infringement of a patent, interim measure by way of an order of interim injunction can be granted against the party who infringes the patent.

39. In 2002 (24) PTC 632 Delhi (DB) - Telemecanique & Controls (I) Limited vs. Schneider Electric Industries SA, it has been held that undoubtedly, patent creates a statutory monopoly preventing the patentee against any unlicensed user of the patent device. Thus once a violation is established in case of a registered

patent, subject of course, to the patent being used, it will not be permissible to contend that the said patentee is not entitled to an injunction. A monopoly to the patent is the reward of the inventor and therefore in the said decision, the order of the learned single Judge in granting interim injunction has been upheld.

40. In 2006(32) PTC 65 Madras (DB) - Wockhardt Limited vs. Hetero Drugs Ltd., & Ors. , Messrs. Wockhardt limited a pharmaceutical company is the holder of the process patent, Exclusive Market Rights and Drug Licence for the manufacture of pharmaceutical preparation, namely, Nadifloxacin 1% Cream. The first respondent in the said case namely Hetero Drugs Limited had infringed the patent and exclusive marketing right granted to the appellant namely Wockhardt Limited and started manufacturing the same product and selling in the market. Messrs.Wockhardt Limited has filed a suit for permanent injunction restraining Messrs. Hetero Drugs Limited from infringing the patent, EMR and from manufacturing the said pharmaceutical preparation and pending disposal of the same, orders of interim injunction were prayed for and the said petitions were dismissed.

41. Messrs.Wockhardt Limited challenging the vires of the dismissal of the said applications preferred O.S. appeals. The Division Bench which heard the matter had decided has held that the appellant namely Messrs. Wockhardt Limited is the only company in India got exclusively market right patent which are for limited period of 5 years and, unless the same are exercised in the said period, it will be render useless. When this period of short tenure is sought to be disturbed over the rights by any other party, which has no prima facie right by virtue of process patent and EMR granted to the appellant, then the Court has to necessarily prevent the other party, by affording appropriate relief in favour of the plaintiff by granting the injunction sought for.

42. Mr.P.S.Raman learned senior counsel appearing for the appellant in O.S.A.No.283 of 2006/applicant/plaintiff has submitted that as per Section 53 of the Patents Act, the term of the patent is for 20 years. As far as the patent granted

in favour of the applicant/plaintiff for artificial banana leaf is concerned, he was granted patent vide Letters Patent No.198079 with effect from 29th August 2000 the date on which the application for patent was made and already nearly 8 years had elapsed from the date of grant of patent. If the decision reported in AIR 1965 Madras 327 V.Manicka Thevar's case is applied, the patent which is less than 6 years old is regarded as a recent one. Therefore, according to the learned senior counsel appearing for the appellant in O.S.A.No.283 of 2006 the said decision requires reconsideration in view of the Patents (amendment) Act 2005 under which, major amendments were effected to the Patents Act, 1970. The learned counsel further invited the attention of this Court to Section 48 of the Patents Act, which came to be substituted by Act 38 of 2002 with effect from 20.05.2003 under which, sufficient protection is granted for product patent as well as process patent. Therefore, according to the learned senior counsel by applying the said provision, and the judgment of this Court reported in 2006 (32) PRC 36 Madras (DB) Wockhardt Limited vs. Hetero Drugs Ltd., period of 6 years fixed in Manicka Thevar's case - AIR 1965 Madras 327, cannot be termed as a good law as the said 6 years lost its span. Moreover, in modern days, the patent life is very short in view of new innovations and inventions and therefore, the right of the patent holder namely the applicant/plaintiff is to be protected by upholding the order of ad-interim injunction regarding passing off and also to restrain the 4th respondent/4th defendant from infringing the patent.

43. In 2007(34) PTC 668 Delhi (DB) - Time Warner Entertainment Company , L.p. & Others vs. RPG Netcom, the principle regarding action of passing off are enunciated. The learned senior counsel appearing for the appellant in O.S.A.No.283 of 2006 submitted that though the said decision is arising out of the Copyright Act of 1967 ,the principles enunciated in the said judgment can be very well applied to the facts of the present case. In paragraph No.18 of the said judgment it has been held as follows:-

> "Action of passing off is maintainable if the action of the defendant is calculated to injure business reputation and goodwill of another trader. This action is also

maintainable if damage to reputation and goodwill is seen as a reasonable foreseeable consequence of the action of the defendant. Passing off action can be in the form of quia timed action. Foundation of passing off action is protection of goodwill and reputation. It is not a remedy for invasion of the market name or get up. It is a remedy for invasion of right to property in form of business reputation and goodwill. Goodwill and business reputation is a proprietary right capable of protection. Secondly, deception or deceit on the part of the defendant is an essential ingredient for inviting action of passing off. The objective of passing off action is to restrain a party from passing off his goods etc. as those belonging to another trader, viz, the one who has the reputation or goodwill. The property which is sought to be protected is the business reputation and goodwill that is injured by the said misrepresentation. Action for passing off can be initiated, where interest of an author or owner of a copyright work in his business reputation and goodwill is damaged by misrepresentation that falls outside the copyright law, i.e. the Act. Passing off action will be maintainable, when the claim is not based on infringement of copyright but damage to reputation and goodwill of the proprietor and the said damage is caused by deceit or misrepresentation by the defendant. In Copinger and Skone James on Copyright, on passing off claims by authors and owners, it has been observed that legal recourse to tort of passing off can be initiated when no substantial reproduction of work has taken place or when reference is only made to names or the work of the author/owner as there is no copyright as such in a name or work".

44. Therefore, according to the learned senior counsel appearing for the applicant/ plaintiff not only infringed the patent right of the applicant in respect of artificial banana leaves but also manufacturing similar kind of product of inferior quality and thereby harming the plaintiff's reputation and goodwill and hence, his interest is to be protected by granting appropriate interim orders pending disposal of the suit.

45 . The learned senior counsel also relied upon the judgment reported in (2007)2 MLJ 907 - K.Ramu vs. Adyar Ananda Bhavan, Chennai. In the said case, it has been held that when the third parties infringe the rights granted under the Patents Act, then, Section 108 of the Patents Act will come into operation, according to which, in case of infringement, the Court may grant the relief's including injunction and ordering the goods to be seized, forfeited or destroyed

and ultimately interim injunction was granted restraining the defendants, therein from infringing both process and product patent.

46. The learned senior counsel appearing for the appellant in O.S.A.No.283 of 2006 laid thrust upon judgment reported in MIPR 2008(1) 0217 Madras, in the matter of Bajaj Auto Limited vs. TVS Motor Company. According to the learned senior counsel, though the said judgment is a subject matter of challenge in Original Side Appeals, reliance can be placed upon as in the said judgment entire case laws on Patent had been discussed in detail. The facts of the said case are that the applicant namely Bajaj Auto claimed that it was granted Indian Patent in respect of patent application titled " An improved International combustion engine working on four stroke principle" and the said invention relates to the use of a twin spark plugs for efficient combustion of clean air fuel mixture in small bore ranging from 45mm to 70mm. The respondent therein namely Messrs.TVS Motor Company has launched Motor bikes of 125-CC capacity under the trademark of "FLAME" powered with a lean burn internal combustion engine of bore size of 54.5 mm with a twin spark plug configuration, which according to the applicant, infringes its patent rights. Therefore, Messrs.Bajaj Auto filed a suit and pending disposal of the suit filed applications for interim injunction. The learned judge has granted ad-interim injunction in favour of Messrs.Bajaj Auto Limited. While discussing the entire case laws on that subject it was held as follows:-

> "(1) Now coming to the question of infringement, it is not in much dispute that except the use of three valves, the product which is attempted to be marketed by the Respondent is prima facie similar to the Applicant's patented product.
>
> (2) The effect of patent granted under the Act and its consequential user apart from a third person using the patented product in the substance equivalent to the patented article has been dealt with by the Division Bench of Delhi High Court in Raj Prakash v. Mangat Ram Choudhary and Ors. (AIR 1978 Delhi 1), which is as follows, A person is guilty of infringement if he makes what is in substance the equivalent of the patented article. Some trifling or unessential variation has to be ignored. Therefore, it is clear that the Applicant has made out a prima facie case for injunction against the Respondent.

(3) It is true that in cases where the use of the Applicant's patent is recent in origin or the patentee has not even used or commenced to release its product, then such patentee is not entitled for the grant of injunction.

(4) Moreover, on the factual position in this case, the Applicant has come up in the world market by sale of its product as stated above and its period is only for 20 years and there is every possibility for a new invention in the field by bringing the new product even before the time of expiry of patent granted to the Applicant and such invention may be brought by the Applicant itself and hence, these quantum of damages which the Applicant may suffer in not granting injunction cannot be ascertained in monetary sense. On the other hand, the Respondent claiming itself to be a licensor of AVL products has not even marked its product.

(5) Therefore, the second aspect of grant of interim injunction, viz., and the balance of convenience is also in favour of the Applicant for granting an Order of injunction.

(6) A similar contention was rejected by the Court of Appeal in Netlon v. Bridport Gundry Ltd. (1979 FSR 530). While granting injunction at the appellate stage, the Court of Appeal has answered as follows: - I must now proceed to consider the question of damages. The respondents say that any damage that the appellants would suffer by not obtaining an injunction, if they ultimately prove right at the trial, is capable of being calculated with reasonable certainty and so damages are an adequate remedy. They say that the amount of the respondent's sales will be known, so also will those of Netlon in previous years, so that the measure of the diminution of business as the result of their activities can be ascertained and the damages quantified by calculation on a royalty basis. For my part, I am unable to accept this argument. The first year would be a building-up one so that one would have to look at least to the second, but then, I think, it would be impossible to distinguish sales due to the early start with the assistance of the patented material and sales which the respondents would have made anyway. The truth, in my Judgment, is that it is quite impossible to calculate the adverse effect upon the Appellants of their having to face competition a year earlier than they would have to do if the respondents had to wait for supplies of unquestionably unoffending material.

(7) While dealing about the concept of "Inventive step" the Supreme Court held that it is a mixed question of law and fact to decide about the novelty or subject matter. It also explained the concept of "obvious" and held that a patented

invention may be a combination of different matters already known, but it must be something more than a mere workshop improvement.

(8) In any event, the test of "obviousness" which forms part of the term "inventive step" under Section 2(a) of the Patents Act, 1970 will have to be decided only in an appropriate manner in a full-fledged trial. Suffice it to say now at this stage, prima facie there is novelty which means an invention and the same has been registered under the Patents Act with priority date and the enablement of novelty has been on the face of it proved by the Applicant by marketing the product in such large extent and also without objection fairly for long 5 years and it is not proved that so far the product of the Applicant is "obvious".

Therefore, according to Mr.P.S.Raman, learned senior counsel appearing for the appellant in O.S.A.No.283 of 2006, the applicant/plaintiff's product of artificial laminated banana leaf is innovative as the artificial laminated banana leaf which is of food-grade colour manufactured by the applicant/plaintiff and the said leaf is not having inherent defects involved in natural banana leaf. It is further submitted by the learned senior counsel, prior to the obtaining of patent ,there were infringement who had been prevented successfully by filing suits and obtaining interim orders. The patent in respect of the said product was granted on 20.01.2006 with effect from the date of application namely 29th August, 2000 and therefore, the applicant/plaintiff exclusively entitled to manufacture artificial food-grade laminated banana leaf and by selling that product, he earned more than 3 Crores of rupees. Further according to the learned senior counsel for the applicant/plaintiff, the 4th respondent/4th defendant is the dealer of defendants 1 and 2 and since there are interim orders operating against the said defendants, in connivance with them, the 4th respondent/4th defendant has started selling of spurious artificial laminated banana leaves.

47. It was further submitted by the learned senior counsel for the appellant in O.S.A.No.283 of 2006 that Section 48 of the Patents Act grants sufficient protection to the rights of patentees in respect of both product and process patent. Since the applicant/plaintiff is a patent holder in respect of the said product, in view of the factual aspects narrated in detail and also based on the

judgments cited by him, the learned single Judge ought to have granted interim orders regarding his patent right also and has committed error in dismissing the application in O.A.No.494 of 2006 regarding infringement of his registered patent.

48. In reply to the submissions made by Mr.P.S.Raman, learned senior counsel appearing for the appellant in O.S.A.No.283 of 2006/applicant/plaintiff, Mr.Arvind P.Datar, learned senior counsel appearing for the appellant in O.S.A.No.263 of 2006/4th respondent/4th defendant has submitted that the applicant/plaintiff of course can claim right under Designs Act for the banana shaped laminated paper and since there is no novelty or invention involved in manufacturing the artificial banana leaf, patent ought not to have been granted by the concerned authority. The learned senior counsel further submitted that in view of the objections raised by the 4th respondent/4th defendant in the form of pre-grant and post-grant oppositions of the patent, it cannot be said that an absolute right has been inured in favour of the applicant/plaintiff so as to enable him to manufacture and sell artificial laminated banana leaf exclusively. It is further submitted that by grant of interim order against 4th respondent/4th defendant restraining him from passing off the said product, virtually monopoly has been granted in favour of the applicant/plaintiff, which is impermissible on public interest and also unsustainable in law and on facts.

49. The learned senior counsel Mr.Arvind P.Datar further submitted that no comprehensive suit for Designs and Patents Act has been filed, but the present suit has been filed only under Patents Act. Therefore, no interim orders can be granted pending disposal of the suit filed under Patents Act. It is further submitted that once an applicant/plaintiff elected his remedy under Patents Act, he has to succeed or perish based on the provisions of the said Act and he cannot fall back upon his alleged rights under Designs or Copyrights Act.

50. It is also submitted by the learned senior counsel Mr.Arvind P.Datar that even though the applicant/plaintiff claims both product and process patent, a

cursory perusal of the pleadings would disclose only a process patent, which according to the 4th respondent/4th defendant, it is not involved in any novelty or invention.

51. Lastly, the learned senior counsel Mr.Arvind P.Datar submitted that the discretionary relief of order of ad-interim injunction can be granted only under common law in the absence of any provisions in the Patents Act, but no such pleadings are available in the plaint and no such averments are available in the affidavit filed in support of the applications for ad-interim injunction. Therefore, according to the learned senior counsel, the order of ad-interim injunction granted in O.A.No.495 of 2006 is per se unsustainable and is liable to be set aside and the appeal filed by him in O.S.A.No.263 of 2006 is to be allowed with costs.

52. We have carefully considered the rival submissions made by Mr.Arvind P.Datar, learned senior counsel appearing for the appellant in O.S.A.No.263 of 2006/4th respondent/4th defendant and Mr.P.S.Raman, learned senior counsel appearing for the appellant in O.S.A.No.283 of 2006/applicant/plaintiff and also keeping it in mind, the principles laid down in the decisions relied on by the respective senior counsel appearing for the parties.

53. It is a settled position of law for granting an order of ad-interim injunction including the infringement of Designs, Copyrights and Patent, the applicant/plaintiff must prima facie establish that balance of convenience lies clearly in his favour and irreparable loss that may be caused to him on account of non granting of an order of ad-interim injunction.

54. Admittedly, the applicant/plaintiff prior to obtaining the patent for his product, has got the design registered in his favour under Designs Act which is valid till date. As per the patent granted in favour of the applicant/plaintiff in respect of the application made by him on 29th August 2000, he has been granted patent to have the exclusive right to prevent third parties from making, using, offering for sale, selling or importing for those purpose, the food-grade

laminated paper method and apparatus for manufacturing the laminated paper subject to the conditions that the validity of the patent is not guarantee and that the fee prescribed for the continuance of the patent as duly paid. Earlier when there were infringements of its designs prior to obtaining of the patent, applicant/plaintiff launched proceedings in the form of civil suits and obtained interim orders against the persons who infringed his product.

55. As per Section 48 of the Patents Act which came to be amended with effect from 20th May 2003, while deciding about the prima facie case, even though no presumption of the validity of the patent can be drawn, certainly the patent obtained after the amendment is having more significant. Therefore, the patent obtained by the patentee can be given more weight for deciding the prima facie case, however, the ones of proving the prima facie case about the validity of the patent and its infringement is very much on the applicant/plaintiff.

56. The main objection raised by the learned senior counsel appearing for the appellant in O.S.A.No.263 of 2006/4th respondent/4th defendant is that the product of the applicant namely artificial laminated banana leaf for which, the patent has been granted is not an invention at all as the banana leaf is a biological and natural product and as regards the shape and colour, no invention or innovation is involved. It is further submitted by Mr.Arvind P.Datar learned senior counsel appearing for the appellant in O.S.A.No.263 of 2006 that in view of the pre and post grant oppositions, to the patent, the grant of patent itself will not certify the validity of the same as found in Section 13(4) of the Patents Act, 1970.

57. The learned senior counsel Mr.Arvind P.Datar further invited the attention of this Court to US patents for making laminated paper and learned senior counsel further submitted that by comparing the application for patent with that of the US patents, it is telltale that the entire process of manufacture of laminated paper as found in US patents has been verbatim extracted in the application for patent submitted by the applicant/plaintiff and therefore according to the learned senior

counsel, absolutely no innovation or novelty is involved at all in the process of manufacturing artificial laminated banana leaf. In this connection, the learned senior counsel also invited the attention of this Court to the judgment reported in 2000 PTC 1 (FB) (Delhi) - Metro Plastic Industries vs. M/s. Galaxy Footwear New Delhi, which arose out of a case of infringement of design. It has been held in that decision that once an application for cancellation has been made then it would not be open for the Court trying the suit under Section 53 of the Designs Act, to turn a blind eye to the pendency of such application. While deciding the said application. In that case the Court must take into consideration all relevant facts which would include the grounds raised in the application for cancellation. The Court must then decide whether or not to grant an injunction in favour of registered owner. Such a decision must be made judicially. In such cases Court would apply the principles which govern grant of injunction under Order 39 Rule 1 and 2 C.P.C. and that the grant or refusal of injunction must then be based upon all relevant factors. As regards his submissions that no innovations or invention is involved, the learned senior counsel has invited the attention of this Court to the judgment reported in 2008(36) PTC 123 (DB) Himachal Pradesh - Dhanpat Seth & others vs. Nil Kamal Plastic Creates Ltd, wherein grant of patent in respect of product "KILTA" was the subject matter. In the said case, an old device purely known as "KILTA" which was originally made of bamboo is now produced in plastic and development of detachable nylon straps with buckles. It was ultimately held in the said decision that the product developed should be a totally new product and a mere grant of patent in favour of the plaintiff by itself does not mean that the plaintiffs are entitled to any injunction. It was further held in the said decision that the device developed by the plaintiffs is in fact, the result of traditional knowledge and aggregation/duplication of known products such as polymers and, therefore, is not an invention.

58. As regards the submission made on behalf of the 4th respondent/4th defendant that there is no pleadings of common law right are available in the plaint and the averments filed in support of the affidavit for grant of ad interim

injunction, it is submitted by Mr.Arvind P.Datar learned senior counsel, that in the absence of any such pleadings or averments, learned Judge ought not to have granted order of ad-interim injunction regarding passing off the product.

59. We also perused the typed set of documents filed in these appeals. A comparison in US patent Nos. (document Nos. 1 to 5) in O.S.A.No.263 of 2006 and the application filed for patent by the applicant/plaintiff would reveal that the process involved in the manufacture of food-grade laminated paper the contents are almost verbatim similar to that of the manufacture of layers of plastic film laminated but one and another has found in US patent. Though the applicant/plaintiff claims that it is a product as well as process patent, materials available on record in the form of process patent and the applicant/plaintiff's application for patent would clearly establish that the patent granted in his favour on 20.01.2006 is only a process patent. The art of making laminated food-grade paper is very well known in India as well as in other parts of the world and therefore, it is prima facie opinion of the Court that no invention is involved. But at the same time, innovation in the form of making banana leaf with artificial structure of food-grade quality and artificial scented smell of banana leaf is found in the said product and therefore, it could be termed as innovation and some novelty is also involved in the said product.

60. The patent relates to invention or otherwise and as per Halsburys Law of England, the word 'Patent' is used denoting a monopoly right in respect of an invention.

Section 2(m) of the Patents Act, 1970 defines "patent" means a patent for any invention granted under this Act.

The term "invention" is defined under Section 2(j) of Patents Act, 1970 as, "invention", means a new product or process involving an inventive step and capable of industrial application.

The said definition of "invention" itself was substituted by Act 38 of 2002 and before that the said Section 2(j) stood as follows:-

> "Invention" means any new and useful- (i) Art, process, method or manner of manufacture, (ii) Machine, apparatus or other article, (iii) Substance produced by manufacture, and includes any new and useful improvement of any of them and an alleged invention.

The term "inventive step" came to be defined under Act 15 of 2005 with effect from 1st January, 2005 under Section 2(ja), which is as follows:

> 2(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.

Therefore, an "inventive step" which is a necessary ingredient of invention in order to make an Applicant eligible for grant of patent under the Act, must be relating to an invention involving technical advance or having economic significance or both along with a necessary factor that such invention should make it not obvious to a person skilled in the art. Therefore, a patent must have characters of novelty, non-obviousness and enablement, out of which, enablement being the concept of putting the novelty into action and all the above said ingredients must consecutively be present to have a valid patent. Admittedly, in the case on hand, pre and post grant oppositions had been raised in respect of the patent granted to the applicant/plaintiff and under Section 43 of the Patents Act 1970, it is open to a party who is opposing the patent to prove that there are no inventive steps in the invention of the patent and therefore, the patent granted need not be taken into consideration at least at the time of granting order of interim injunction.

61. Section 48 of the Patents Act, 1970 as amended by the Patents (amended Act 2002) with effect from 20th May, 2003) protects the rights of patentees. Since we earlier held that the patent granted to the applicant/plaintiff is only a process patent, in terms of sub-section (b) of Section 48, the exclusive right to prevent

third parties, who do not have his consent, from the act of using that product, and from the act of using, offering for sale, selling or importing for those purposes, the product obtained directly by that process in India is available to the applicant/plaintiff.

62. It is an admitted fact that the application for patent was submitted by the applicant/plaintiff on 29.8.2000 and the latter patent No.198079 was granted to him on 20th January, 2006 with effect from 29th August 2000 in terms of Section 45(1) of the Patents Act of course is a subject matter of challenge in pre and post grant oppositions filed by the 4th respondent/4th defendant. Therefore, prima facie, and as on date, patent is in force in favour of the applicant/plaintiff. On earlier occasions prior to grant of patent, the applicant/plaintiff got registered the design of artificial laminated banana paper under Designs Act there were infringers. Hence, the applicant/plaintiff instituted suits against the defendants 1 to 3 in various courts and got interim orders and later on he came to know that the 4th respondent/4th defendant is a dealer of defendants 1 to 3 and according to him, he is selling spurious artificial banana leaves manufactured by defendants 1 and 2.

63. Admittedly, the 4th respondent/4th defendant is not a registered design holder in respect of artificial banana leaf and moreover his pre and post grant oppositions to the grant of patent are pending adjudication before the appropriate authorities and as long as the patent is in force, the applicant/plaintiff who is the patent holder is entitled to some protection. Therefore, it is not difficult to come to the conclusion that prima facie, the product of the applicant/plaintiff namely artificial banana leaf for which patent was granted as found a special place in the market and is also evidenced by the fact of much volume of business conducted by him. In the judgment reported in (2007)2 MLJ 907 - K.Ramu vs. Adayar Ananda Bhavan, Chennai, all the earlier decisions were referred to on that point and it has been held that issuance of patent right is an admitted fact and the same is valid for a period of 20 years, the plaintiff is deemed to have discharged his initial responsibility of proving that they are protected by the certificate issued

by the competent authorities under the Patents Act and therefore, it should be presumed to be a prima facie case on the strength of a certificate.

64. Under Section 108 of the Patents Act, when third parties infringe the right granted under the Patents Act, Court may grant relief's including injunction and ordering the goods to be seized, forfeited or destroyed.

65. As regards the contention raised by the learned senior counsel Mr.Arvind P.Datar, appearing for the appellant in O.S.A.No.263 of 2006/4th respondent/4th defendant in the absence of pleadings regarding common law right, the applicant/plaintiff is not entitled to invoke Order 39 Rules 1 and 2 of C.P.C., we hold that such an application is maintainable. In the judgment reported in (2008)4 MLJ 252 (SC) - Tanusree Basu and others vs. Ishani Prasad Basu and others, the grant of ad-interim injunction against co-owner came for consideration. Though there are various decisions to the effect that the co-owner cannot claim an order of injunction against any co-owner with regard to the property owned jointly, in view of the facts of the case, it has been held that Order 39 Rule 1 of C.P.C. is not the sole repository of the power of the Court to grant injunction and that Section 151 of the Code confers power on the Court to grant injunction if the matter is not covered by Rules 1 and 2 of Order 39 of the Code. Therefore, by applying the proposition laid down in the said decision even assuming that the application under Order 39 Rule 1 and 2 of C.P.C. is not maintainable in the absence of pleadings regarding common law right, the Court can very well invoke Section 151 of C.P.C. and grant an order of interim injunction.

66. As regards the submissions made by the learned senior counsel appearing for the appellant in O.S.A.No.263 of 2006 that a patent which is less than 6 years old can be regarded as a recent one, as held in Manicka Thevar's case reported in AIR 1965 Madras 327, the said view has lost its significance in view of the latest development in the field of science and technology. Now, the patent life is very short in view of new innovations and inventions which are frequently taking

place, wherein a new product is using its significance and market very quickly. We are not dealing with the question of invention or novelty involved in respect of the product namely the artificial banana leaf for which patent was given in favour of the plaintiff, as pre and post grant oppositions to the said patent are pending adjudication before the concerned authority at the behest of the 4th respondent/4th defendant and it is for the concerned authority to take a decision on that aspect and if any party aggrieved by such decision, may invoke appropriate remedy before the appropriate forum in terms of the Patents Act. Therefore, applying the principles laid down in the above cited decisions, we hold that even though the banana leaf is a natural product, the invention on the part of the applicant/plaintiff to use artificial laminated food-grade shape in the form of banana leaf with its colour with artificial scented smell is prima facie innovative and that in view of the Patent granted in his favour for the said product, he is entitled for protection pending disposal of the suit.

67. We further hold that under Section 108 of the Patents Act, the applicant/plaintiff is entitled to maintain the suit under Patents Act.

68. As regards the maintainability of application under Order 39 Rule 1 and 2 C.P.C. even without invoking the said provision, the Court in appropriate cases by invoking Section of 151 C.P.C. can grant such reliefs.

69. Now, coming to the question of sustainability of the order passed in O.A.No.495 of 2006, we hold that even prior to the grant of patent, the applicant/plaintiff got a registered Design in respect of artificial laminated paper and the 4th respondent/4th defendant has not denied the fact that he is also manufacturing and marketing the similar kind of artificial laminated banana leaf though according to him it is of very small quantity.

70. The applicant/plaintiff has not given the details of process under which he is manufacturing the laminated artificial banana leaf. Admittedly, even prior to the year 2000, the applicant/plaintiff is manufacturing the said product and marketing it and therefore, is having goodwill and trade name for his product

and unless the 4th respondent/4th defendant is restrained by way of an interim measure from selling or marketing the said product, the applicant/plaintiff is bound to suffer irreparable loss and grave hardship and also financial loss. Therefore, prima facie appears that the balance of convenience is in favour of the applicant/plaintiff. Therefore, the interim order granted by the learned single Judge in O.A.No.495 of 2006 is sustained and accordingly, O.S.A.No.263 of 2006 filed by the 4th respondent/4th defendant challenging the vires of the said order, is dismissed. However, in the circumstances, there will be no order as to costs.

71. In so far as non-granting of interim order in O.A.No.494 of 2006 is concerned, in the earlier portion of the judgment we hold that the protection of artificial banana leaf prima facie appears to be of not an invention but can be termed only as an innovation. Admittedly, as per the Patent Certificate dated 20.01.2006 patent was granted in favour of the applicant/plaintiff subject to the condition that the validity of the patent is not guarantee. In terms of Section 13(4) of the Patents Act, the grant of patent itself cannot be deemed to be prima facie case on the side of the patentee and it is a duty of the patentee to prove prima facie case as any other case of application for injunction. Since applications for opposition of grant of patent are pending adjudication before the appropriate authority, and that we are of the prima facie view that the concept of artificial banana leaf prima facie appears to be innovative only, we are not inclined to interfere with the order passed by the learned single Judge in O.A.No.494 of 2006. Accordingly, O.S.A.No.283 of 2006 filed by the applicant/plaintiff is dismissed and the orders passed by the learned single Judge in O.A.No.494 of 2006 are confirmed. However, in the circumstances, there will be no order as to costs. It is made clear that the observations made/findings given in these appeals are only for the purpose of adjudicating the issues involved and for deciding of these appeals and need not influence the mind of the appropriate authority at the time of deciding the pre and post grant oppositions of Patent granted in favour of the applicant/plaintiff.

(PKMJ) (MSNJ)

30.06.2008

Index:Yes/No

Internet/Yes/No

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P.K.MISRA, J

AND

M.SATHYANARAYANAN, J

PRE DELIVERY COMMON

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Date: 30.06.2008