IN THE HIGH COURT OF PATNA

DATED: 15.05.1953

CORAM

THE HONOURABLE MR. JUSTICE NARAYAN ROY

AND

THE HONOURABLE MR. JUSTICE ANWAR AHMAD

A.F.O.D. No. 328 of 1952

Rohtas Industries Ltd. and Ors. ... Appellants

Vs.

Indian Hume Pipe Co. Ltd. ... Respondent

For the Appellants: Mahabir Prasad, K.D. Chatterji and S.N. Bhattacharyya, Advs.

For the Respondent: B.N. Mitter, A.K. Mitter and S.S. Rakshit, Advs.

JUDGMENT

Anwar Ahmad, J.

1. This is an appeal against a decree passed in a suit instituted under the provisions of Clause (1) of Section 29, Patents and Designs Act, 1911, for restraining the defendants by an order of perpetual injunction from making and using machines said to have been covered by the two patents bearing Nos. 20709 and 26902 granted to them, and from infringing their right thereunder in any other form or manner.

2. The plaintiffs in the suit are the Indian Hume Pipe Co., Ltd., having its registered office at Construction House, Witted Road, Bombay. The defendants are three, namely, (1) Rohtas industries Ltd., at Dalmianagar, pergana Sasaram, P. S. Dehri, district Shahabad; (2) Dalmia Jain & Co., Ltd., Dalmianagar,

Managing Agent of the Rohtas Industries Ltd. and (3) one Mr. A. K. Dasgupta, Manager of Spun Pipe and Pole Factory, which is a section of the Rohtas Industries Ltd.

3. The plaintiffs claim to be the grantee amongst others of the aforesaid two patents granted to them under the provisions of Patents and Designs Act, 1911. The first patent bearing No. 20709 is said to be in respect of an invention entitled as :

"Improvements in or relating to cages or drums for forming thereon reinforcements for concrete pipes and the like", and the second patent bearing No. 26902 is in respect of the invention entitled as:

> "Improved manner and means of making long concrete or the like pipes, poles or other hollow objects by centrifugal process".

The substantive part of terms of the grant in respect of patent No. 20709 is in the following words:

> "The patentee have the exclusive privilege of making, selling and using the invention throughout British India (including British Baluchistan, the Santhal Parganas and the Shan States) and of authorising others so to do for the term of sixteen years from the 19th day of March, 1934, subject to the conditions that the validity of this patent is not guaranteed by Government and also provided that the fees prescribed for the continuation of this patent are duly paid."

Similarly, the substantive part of the terms of the grant of patent No. 26902 is to the following effect:

> "The patentees have the exclusive privilege of making, selling and using the invention throughout British India and of authorising others so to do for the term of sixteen years from 26-9-1936, subject to the conditions that the validity of this patent is not guaranteed by Government and also provided that the fees prescribed for the continuation of this patent are duly paid."

Along with each of the grants in respect of each of the patents is attached a detailed specification in relation to each of the inventions covered by the patents.

4. It is claimed by the plaintiffs that the defendants have infringed the said patents, and the rights said to have been infringed are given in paragraph 8 of the plaint in the following terms

> "(a) The defendants have infringed the said patents by erecting and using without the consent of the plaintiffs one or more machines covered by the said patents at their factory Known as Spun Pipe & Pole Factory at Dalmianagar within the jurisdiction of this Court and are carrying on business thereby.
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> (b) The defendants have further infringed the said patents by sale and offering for sale in the normal course of business poles and pipes made with cages constructed in accordance with the said patents without the consent of the plaintiffs.
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> (c) The defendants have infringed the said patents by selling many poles and pipes made with reinforced cages constructed in accordance with the said patents and without the consent of plaintiffs to P. W. D., P. H. D., local bodies and other departments of Government and to private customers as well."

5. On these allegations the plaintiffs in their suit seek amongst others the following main relief:

> "That a decree for perpetual injunction may be made on defendants, their servants and agents from infringing the said patents and in particular making and using machines covered by the said patents and selling or offering for sale poles and pipes with reinforced cages made in accordance with the said patents."

6. The trial Court has decreed the suit and hence this appeal by the defendants. Defendants 1 and 2 filed a common written statement while defendant 3 filed a separate one though adopting therein substantially the defence set up by the other two defendants and further alleging therein that the suit as against him was Instituted with an ulterior motive and as a counterblast to the suit already instituted by him against the plaintiffs. It is admitted by defendants 1 and 2 that they have been manufacturing and dealing with concrete products but in a manner different to that followed by the plaintiffs and that in that manner they have been doing it for over six years with the full knowledge of the plaintiffs company and assert that they have not infringed in any way the plaintiffs' patents

nor have they ever erected or used any machine covered by those patents or sold or offered for sale to any party whomsoever, any pipe or pole or other material made with cages constructed in violation of the alleged patents.

7. There is no dispute about the fact, as it appears from the judgment of the trial Court that the patents claimed by the plaintiffs are subsisting and valid and this fact has not been challenged before us, and, therefore that part of the case of the plaintiffs stands proved. The only substantial issue that was in fact fought out between the parties at the trial was :

> "Have the defendants infringed the plaintiffs' patents?"

It is evident from the defence itself already stated by me, yet I may make it clear here, that the defendants have not set up any plea as contemplated by Sub-section (2) of Section 29 of the Act that the patents even if any originally granted stand revoked or that the plaintiffs' patents are invalid for want of novelty--a defense generally known in law as Lord Moulton's defence. In short, therefore, as it appears from the judgment and the pleadings, the only plea that has been raised in defence is that the acts of infringement alleged to have been committed were not done by the defendants. In this view of the matter, the other lines of defence generally set up in cases under the Law of Patent, namely, to the effect that the acts alleged to have been done, do not amount to infringement in relation to the terms of grant of the patents or to the effect that the acts alleged to have been committed were not of a nature in relation to the description as given in the specification, should not have arisen for consideration in giving judgment over the present case.

But in this Court the learned Advocate General appearing for the defendants has also raised the point that the acts referred to and specified in Sub-clauses (b) and (c) of paragraph 8 of the plaint do not amount to infringement in relation to the terms of the grant of the patents. The allegations in those sub-clauses are as to the sale and offer for sale of poles and pipes constructed in accordance with the patents. It is contended that what the people in general excepting the grantee are

under the terms of the plffs'. grants forbidden to do are only "not to make", "sell" or "use" the invention covered by those patents and as the infringement of a patent is the doing, after the date of publication of the complete specification, of that which the patent prohibits being done, anything done other than that which is prohibited does not constitute infringement. The plaintiffs' grants do not prohibit the sale and offer for sale of the poles and pipes produced from those machines and, therefore, even if allegation to that effect is found to be true, that would not establish the case against the defendants. What is in fact, in substance, involved in this contention is whether a monopoly for a process includes a monopoly for articles made by that process.

In the United Kingdom the answer to this question has been given in the affirmative and that has now become there a settled principle of law. In the book on patents by Terrell it is said:

> "In the case of a patent for a process or for a machine, the sale in this country of goods manufactured by that process or machine is an infringement. In -- 'Townsend v. Haworth' (1876) 12 Ch D 831 (A) Jessel, M. R. said: "What is every person prohibited from doing? He is prohibited from making, using or vending the prohibited articles, and that, of course, includes in the case of machinery the product, if I may say so, of the machinery which is the subject of the patent. It is what is produced by the patent -- 'United Horse Shoe and Nail Co. Ltd. v. Stewart & Co.' 2 RPC 122 (B).
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> Such a sale is also an infringement even though the manufacture took place abroad. In --'Wright v. Hitchcock' (1870) 5 Ex 37 (C) Kelly, C. B., said 'If the law were otherwise, then when a man has patented an invention, another might, by merely crossing the channel, and manufacturing abroad and selling in London ..... articles made by the patented process, wholly deprive the patentee of the benefit of his invention. It is, therefore, impossible to suppose that an exclusive right to vend is not given, and the defendants have therefore infringed the plaintiff's right...."

In the present case, however, this question has only an academic value for even if it is accepted what is contended by learned counsel for the plaintiffs that the sale and order for sale of the poles and pipes produced from the machines or

processes, covered by the patents are included in the prohibition by the grant in favour of the plaintiffs, the plaintiffs will have to show that the poles and pipes alleged to have been sold or offered for sale by the defendants were produced as a direct result of the use of a process or machine, substantially the whole of which is the subject of the patents. In other words, in order to prove the infringement alleged in Sub-clauses (b) and (c) of paragraph 8 of the plaint, even if it is held that they constitute the infringement of the patent under the law, the plaintiffs will have to prove that the defendants did use the process or the machine covered by the patents, that is, exactly what is alleged in Sub-clause (a) of paragraph 8 of the plaint, as it is nobody's case that the poles and pipes alleged to have been sold or offered for sale by the defendants were made by any person other than the defendants themselves. In this view of the matter, the infringement that has to be substantially enquired into is what is given in Sub-clause (a) of paragraph 8 of the plaint, that is, the allegation about the erection and using of the machines covered by the patents. The defence in answer to that part of the allegation, as I have already stated, is the denial that the defendants have not made or used the machine covered by the patents.

8. According to the allegations made by the parties, the persons Involved in and responsible for infringing the patents are two, namely, Mr. A. K. Dasgupta (defendant 3 in the suit) and one Judagi Mistri, who has appeared as plaintiff's witness 3 in the case.

9. Mr. A. K. Dasgupta, defendant 3, who is nowin charge of Spun Pipe and Pole Factory of theRohtas Industries Ltd., was originally in the IndianHume Pipe Company Ltd. This Indian HumePipe Co. Ltd., have got several branches in thecountry and Mr. Dasgupta on his appointmentin that company was at first posted at the Lucknowbranch in the capacity of an Assistant Engineersome time in January,' 1937. He remained therefor about eight or nine months. In October orNovember, 1937, he was transferred from thereto Patna, At Patna he remained up to the beginning of 1942. Thereafter he was sent to Calcuttaoffice to erect a new factory somewhere in itssuburbs at a place called Tribeni. In August,

1943,he was posted back to Patna. This time whilehe was at Patna some differences grew betweenhim and the Indian Hume Pipe Co. Ltd., withthe result that he had to give up his service inthat company in September 1944. He remainedunemployed for about a month and then he joinedthe Rohtas Industries Ltd., at Dalmianagar as aCivil Engineer some time in the month of November 1944.

At that time Dalmianagar was under construction and he was posted to supervise that construction work which included the construction of bungalows, roads, the laying of pipes and that of damage and other things. His statement in the Court is that while the construction was going on in Dalmianagar there were several underground pipe lines to be constructed and it was therefore, thought advisable to start a concrete pipe factory there. It was known to the employers that he had the experience of manufacturing concrete pipes. So under their instruction he set up there in his own time the factory known as the Spun Pipe and Pole Factory for making pipes and poles. The pipes for the first time came out of the factory some time in March 1945. He manufactured these pipes by the ordinary centrifugal process with the help of spinning machines, which were then not covered by any patent. These pipes originally manufactured by him were up to 12" in diameter and up to 6' in length.

Subsequently when there was a demand from Government for pipes up to 48" in diameter and 8' in length, he started manufacturing of pipes of bigger dimensions. Mr. A. K. Dasgupta in his evidence in this Court has deposed that each spinning machine can be used both for the production of reinforced pipes and also for non-reinforced pipes. For reinforced pipes a sort of steel frame made out of wires and rods of a particular diameter to be put in between the thickness of the concrete is required. For non-reinforced pipes no such steel frame is needed. Evidently for reinforced pipes of varying diameters frames of different sizes will have to be used. The frame is technically known as a cage. The invention covered by patent No. 20709 is a machine of variable and collapsible type. On that machine cages of various diameters can be conveniently prepared

by a simple contrivance of minor adjustments in it in order to manufacture reinforced pipes of different diameters. It is admitted by Mr. Dasgupta that the plaintiffs with that machine can make pipes of a diameter from 15" to 24". According to him this machine is an intricate one and different sizes of cages can be very conveniently made by a process of simple adjustments. He, however, has deposed that there are other crude methods as well by which cages can bo prepared with the help of drums.

While Mr. A. K. Dasgupta was at Patna., it is admitted by him that he then had seen this collapsible and adjustable machine and also had seen crude method in operation in the preparation of cages in the factory at Patna of which he was then in charge. At Dalmianagar he is said to have constructed the pipes with the help of crude method only, that is, by preparing cages of different sizes separately with the help of drums of varying sizes and not by any adjustable machine like the one covered by the plaintiffs' patent bearing No. 20709. With, the help of the crude method cages up to 12" diameter can only be prepared. In order to have cages of higher dimensions having diameters from 15" to 48", Mr. A. K. Dasgupta is said to have adopted the process of making separate frames of steel rods or steel wires joined together by electrical welding.

The cases prepared by welding process are, it is stated, dissimilar with the pipes of bigger sizes prepared by collapsible or adjustable drums covered by the plaintiffs' patent No. 20709 at least in one respect, that is, in the respect that the wire wrapped round the drum in the case of plaintiffs' patent machine is always continuous spirals while in the case of process claimed to have been employed at the Rohtas industries Ltd., it is in the form of separate rings electrically welded on horizontal rods. In no case and under no circumstances at Dalmianagar, however, he has asserted in his evidence that he prepared the cages by the adjustable machine cohered by the plaintifis' patent No. 20709 nor at any time any machine like that was set up at Dalmianagar either by him or by Judagi Mistri, who, according to him, has never been an employee at Dalmianagar nor has his services ever been utilised by the Rohtas Industries Ltd., or, its Spun Pipe

and Pole Factory in any form, or manner, though he admitted that he was working in the Indian Hume Pipe Co., as a helper and that he had come in contact with him there in 1937.

10. This much was about the part played by Mr. A. K. Dasgupta in setting up the Spun Pipe and Pole Factory at Dalmiauagar for the production of pipes. Now I come to the part played by him in the production of poles in the factory at Dalmianagar. (After discussing further evidence of A. K. Dasgupta His Lordship proceeded).

11. It is said that while Mr. A. K. Dasgupta was at the Rohtas Industries Ltd., and was engaged in the production of poles and pipes there, his relation with the plaintiffs' company deteriorate ed so much so that some time in the early part of January, 1950, he had to institute a suit for some dues claimed by him against the plaintiffs. That was numbered as Money Suit No. 31 of 1950. Notices of the suit are said to have been served on the plaintiffs some time in the month of March, 1950, and it is said by Mr. A. K. Dasgupta that as a counterblast to that suit the plaintiffs instituted the present case against him and his employers' companies some time in September 1950.

12. (After discussing the evidence of Judagi Mistri (P. W. 3) His Lordship proceeded:) The statements made by Mr. A. K. Dasgupta and Judagi Mistri on the point of allegations made by the plaintiffs in their plaint are directly opposed to each other and the case, in fact, involves the enquiry as to which of these two statements is correct or that either of them has at all spoken truth.

13. The plaintiffs in support of the allegations' made in the plaint have examined at the trial seven witnesses, namely, Ramkumar Chowbey (P. W. 1), Mr. K. R. Bhide (P. W. 2), Judagi Mistri (P. W. 3), Sri Narain Misra (P. W. 4), Mr. G. M. Girdhan (P. W. 5), Mr. G. C. Raha (P. W. 6) and Mr. Lakshman Bam Chander Patwardhau (P. W. 7); while the defendants examined only two witnesses, namely, Chander Shekhar Chowbey (D. W. 1) and Mr. C. N. Gour (D. W. 2). In the course of hearing of the appeal in this Court, however, we thought it

desirable that an opportunity should be given to Mr. A. K. Dasgupta to appear as an additional witness in this Court as prayed for by the defendants. While the case was in the course of hearing in the trial Court, Mr. A. K. Dasgupta had on some business left for Bombay and in spite of an application for time for adjourning the case for some time in order to enable Mr. Dasgupta to give evidence in the case, the trial Court did not think it advisable to adjourn it in order to give him an opportunity to appear as a witness and therefore he could not be examined there because of his absence from the Court. In our opinion, his absence was not deliberate and as the trial had already been held piecemeal, we think that the order refusing adjournment for examining Mr. A. K. Dasgupta was not in the interest of justice and we therefore examined him here in this Court, in our opinion, it was difficult to arrive at a correct conclusion in the case in the absence of his evidence.

So, on the whole, the only relevant evidence on the side of the plaintiffs which throws light directly on the matter at issue is that of Judagi Mistri and Mr. G. C. Raha. The evidence of these witnesses, which I have no reason to disbelieve, supports the plaintiffs' case that the machines covered by the plaintiffs' patents had been set up by the defendant Company and their employee and with the help of those machines poles and pipes had been. at least manufactured in the past. The plaintiffs in support of their oral evidence filed a number of documents as well.

That being so, I think, as already stated, the documents are not of any substantial value in arriving at the correct conclusion about the matter in issue. The only substantial evidence, therefore, in the light of this analysis, that is left in fact on the side of the plaintiffs, is the oral evidence of Mr. G. C. Raha, and Judagi Mistri.

14. In the result, therefore, we find that on behalf of the defendants there is practically no evidence worthy of reliance . The defendants have not taken the trouble of filing any of the papers, from their office which could have at least

demolished many of the allegations made by the plaintiffs. That also suggests a circumstance adverse against them.

15. Such being the state of evidence, the Court is practically left with the ex parte evidence of the plaintiffs' witnesses and especially those of Judagi Mistri and Mr. G. C. Raha. Even if some criticism is taken into consideration against the evidence of Judagi Mistri for the part he played, in changing his loyalty from one company to the other, the criticism is at least not available against Mr. G. C. Raha. His evidence fully corroborates the statement of Judagi Mistri. In this view of the matter, I think it is to be held that the plaintiffs have succeeded in proving the allegations made by them in the plaint.

16. Mr. Advocate General appearing for the defendants has however contended that even if it be found that the defendant company did use for some time in the past the machines covered by the plaintiffs' patents that would not justify the grant of perpetual injunction against the use of those machines by them in future. According to his contention, even at the time when Mr. Bhide visited the factory there was no trace available in the premises of the defendants company of the machines covered by the plaintiffs patent. That is according to him sufficient to suggest that the defendants even if they had been using the machines covered by the plaintiffs patents previously had by that time given up using them and removed them from their premises. In those circumstances the plaintiffs are not entitled to an order of permanent injunction against the defendants. This contention, in my opinion, has got no substance. Once it is held, which I think has to be held in this case, that the defendants did use the machines covered by the plaintiffs' patents, there is at least a potential likelihood of those machines being used again in future and the rights of the plaintiffs secured to them under grants in their favour usurped. It is difficult if not impossible for any plaintiff to establish a case of infringement of patents by exactly proving the presence of the patented machines of the products manufactured out of them in the custody of the persons alleged to be responsible for the infringement, in my opinion even proof of an intention to infringe, apart from actual infringement, may justify an

injunction to restrain the infringement provided it is established to the satisfaction of the Court that the alleged infringer, dealing with what he is doing as a matter of substance, is taking the invention claimed by the patent -- 'Dudgeon v. Thomson' (1877) 3 AC 34 (D); --'Marconi's Wireless Telegraph Co. v. Mullard Radio Valve Co. Ltd.' (1924) 41 RPC 323 (E).

17. In the present case it is not said that the substance of the invention has been taken by the defendants. What is alleged on the other hand, is that the very inventions of the machines covered by the plaintiffs' patent were being used by the defendants and their allegation to that extent as already held is, in my opinion, proved beyond reasonable doubt.

18. In the book of patents by Messrs. Terrell and Shelly it has been said;

> "The basis of an injunction is the threat, actual or implied, on the part of the defendant that he is about to do an act which is in violation of the plaintiff's right; so that not only must it be clear that the plaintiff has rights, but also that the defendant has done something which induces the Court to believe that he is, about to infringe those rights.
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> The fact that he has been guilty of an infringement of the patent rights will, in most circumstances, be evidence that he intends to continue his infringement, but whether he has actually infringed the patent or not, it will be sufficient if he has threatened to infringe it. Actual infringement is merely evidence upon which the Court implies an intention to continue in the same course.
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> In -- 'Frearson v. Loe' (1878) 9 Ch D 48 (F) Jessel M. R. said: I am not aware of any suit or action in the Court of Chancery which has been successful on the part of a patentee without infringement having been proved; but in my opinion, on principle there is no reason why a patentee should not succeed in obtaining an injunction without proving actual infringement. I think for this reason, where the defendant alleges an intention to infringe, and claims the right to infringe, the mischief done by the threatened infringement of the patent is very great, and I see no reason why a patentee should not be entitled to the same protection as every other person is entitled to claim from the Court from threatened injury, where that threatened injury will be very serious. No part of the jurisdiction of the old Court of Chancery was considered more valuable than that exercise of jurisdiction which prevented material injury being inflicted, and no subject was more frequently the cause of bills for injunction than the class of cases which

were brought to restrain threatened injury, as distinguished from, injury which was already accomplished. It seems to me, when you consider the nature of a patent right, that where there is a deliberate intention expressed, and about to be carried into execution, to infringe certain letters patent under the claim of a right to use the invention patented, the plaintiff is entitled to come to this Court to restrain that threatened injury. Of course it must be plain that what is threatened to be done is an infringement."

In the present case there is a positive evidence, as already held by me, that the defendants did use the machines covered by the plaintiffs' patents. That is sufficient to prove the injury threatened for future.

In -- 'Dowling v. Billington' (1890) 7 RPC 191 (G):

"Two acts which fell within the claims of the plaintiffs patent were proved, the first of which took place prior to the acceptance of the complete specification by the comptroller, while the second was committed a few days after the commencement of the action. Chatterton V. C. held that neither of these acts constituted an actionable infringement; but inasmuch as the conduct of the defendant showed a deliberate intention to infringe, the plaintiffs were entitled to an injunction upon the principle laid down by Jessel M.R. in--Trearson v. Loe' (F) (Supra)". In -- 'Shoe Machinery Co. Ltd v. Cutlan' (1895) 12 R.P.C. 342 (H), Romer J. said:

"Two kinds of action may be brought by a plaintiff patentee. The one is based on this that the defendant has infringed before action brought and in respect of this the plaintiff is entitled to claim damages, or an account and an injunction to prevent similar infringements in the future. The other action is based on the fact not that the defendant has infringed but that he threatens and intends to infringe; and in this case the plaintiff may claim an injunction to restrain the threatened infringement. Of course you may find both kinds of action combined in one, but they are distinct in themselves in several respects. In the first the plaintiff has to give particulars of breaches..... in the other, of necessity, there can be no particulars of breaches; but to avoid unfairness to the defendant care is always taken that he shall have lair notice as to the nature and particulars of the special infringement he is alleged to be contemplating; and then, no doubt, if after action he commits that special infringement, or substantially that infringement, evidence of it can be given as it is evidence to show that the plaintiff was right in his allegation that, at the date of action brought, the defendant was threatening & intending to infringe. I may add that if an action, as originally

> brought by a plaintiff patentee, is of the first class only, but he finds that the defendant has, since action brought, infringed in a way substantially different from his former infringements, leave would be given by the Court to the plaintiff in a proper case, and on proper terras, to amend his action, and to bring these subsequent infringements before the Court to be dealt with once and for all with the prior infringements."

So the actual infringement of patent is taken by Courts to imply an intention to continue the infringement, notwithstanding any promise not to do so and unless, in my opinion, it is clear that there is no intention to continue the infringement an injunction will be granted. In the present case there is no conclusive evidence to the satisfaction of the Court that the defendants do not intend to continue the infringement any more. There is also no evidence that the defendants though they might have removed the machinery are not still in possession of the same. Possession of those machines is sufficient to give rise to a presumption of a threat to infringe unless that presumption is rebutted by the evidence of non-user or the absence of such intention as held in the case of British United Shoe Machinery Co. Ltd. v. Simon Collier Ltd.', (1908) 27 Rule P. C. 567 (I). I, therefore, think that the plaintiffs have not only proved in this case that the defendants have infringed but also that there is no evidence on the record to suggest that there is no danger of the injury being repeated in future. I, therefore, think that it is a fit case in which injunction should be granted against the defendants as sought by the plaintiffs in their plaint.

19. further the law is clear on the point that a person may infringe a patent, as in this case the defendants company have done by making the article themselves or by their agent -- which is the position of defendant 2 in this case or by their servant -- which is the position of defendant 3 in this case. In such cases action may be taken against the servants and agents individually or collectively along with their employer and principal as it has been done in the present case. It is clear in this case that the infringement if any, has been committed jointly by all the defendants, I therefore think that each one of the defendants in this case is liable for the infringement of the plaintiffs' patents as claimed by them.

20. The appeal is, in my opinion, without any substance and is accordingly dismissed with costs.

Narayan Roy, J.

21. I agree.