* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Reserved on: 14th February, 2022

Date of Decision: 17th February, 2022

\+ CS(COMM) 327/2021 & I.As. 8543/2021, 8544/2021 11759/2021, 16302/2021, 148/2022

SOTEFIN SA … Plaintiff

Through: Mr. Chander M. Lall, Senior Advocate with Mr. Monish Panda, Mr. Bhavin Gada, Mr. Ayush Shanna, Ms. Mehak Gupta, Ms. Ananya Chug and Mr. Prabjot Hora, Advocates.

versus

INDRAPRASTHA CANCER SOCIETY AND RESEARCH CENTER & ORS. …. Defendants

Through: Mr. Neeraj Malhotra, Senior Advocate with Ms. Mansi Bajaj, Mr. Nimish Kumar and Ms. Nidhi Tyagi, Advocates for D-1 and 2.

Mr. S. D. Singh, Advocate with Mr. Rahul Kumar Singh, Jitender Singh, Ms. Meenu Singh and Mr. Siddharth Singh, Advocates for D-3.

Mr. Saikrishna Rajagopal, Mr. Dhavish Chitkara, Ms. Julien George, Mr. Skanda Shekhar and Ms. Parvati N., Advocates for D- 4.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

JUDGMENT

[VIA VIDEO CONFERENCING]

SANJEEV NARULA, J.:

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

I.A. 8543/2021 (*u/ Order XXXIX Rules 1 and 2 r/w Section 151 of the Code of Civil Procedure, 1908 [hereinafter **"CPC"**] seeking grant of ex-parte ad-interim injunction*)

1. The Plaintiff, on the basis of an exclusive license for right of use and exploitation in its favour, has filed the present suit seeking permanent injunction for restraining infringement of Indian Patent 214088 dated 13th March 2002 titled '*Carriage for the horizontal transfer of motor vehicles in automatic mechanical car parks*' [*hereinafter referred to as '**suit patent**'*]. This invention relates to a self-propelled carriage on wheels, for horizontal transfer of motor vehicles by lifting two or more wheels, in single or multi automatic mechanical car parks. It is commonly known as a 'Dolly' or a 'Silomat Dolly' [*The Plaintiff's product shall be hereinafter referred to as the '**Silomat Dolly**'*].

2. By way of the instant application, pending adjudication of the suit, Plaintiff seeks interim injunction, restraining defendants from *inter alia* making or importing any product that infringes the Silomat Dolly.

BRIEF FACTS

3. The suit patent was filed on 13th March 2002 by Sotefin Patents SA (formerly known as Sotefin SA) and has been continuously used in India ever since, and is expiring on 13th March 2022. Plaintiff is a wholly-owned subsidiary of Sotefin Patents SA and was granted an exclusive license to the suit patent through various agreements with Sotefin Patents SA, beginning from 2010. The Sotefin group of companies are market leaders in the designing and manufacturing of automated car parking systems and the

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

technology in the suit patent is protected in various countries such as the USA, European Patent, Canada, and Australia, and has not been challenged in India since grant of suit patent.

4. On 10th December 2011, Plaintiff entered into a supply contract with Simplex Projects Limited (Defendant No. 3) – a company also involved in the business of automatic parking systems – for the supply of fourteen patented 'Silomat Dollies' for the total amount of €6,88,000/- (Six Lakhs Eighty-Eight Thousand Euros only). They also entered into a separate agreement on the same date for supply of drawings of the automatic parking system to Defendant No. 3, which were duly transferred online, as well as sent physically sometime in 2012. Defendant No. 3 was to keep all information related to the know-how and technology provided by the Plaintiff in relation to the suit patent, including all drawings and all technical information, strictly confidential and not disclose to third parties.

5. Indraprastha Cancer Society & Research Centre (Defendant No. 1) is a not-for-profit public society under the Society's Registration Act, 1860 and operates/manages Rajiv Gandhi Cancer Institute and Research Centre (Defendant No. 2).

6. In 2017, Defendant No. 2 floated a tender for an automatic car parking system for its site at Rohini, Delhi. In the meeting between the representatives, technical background of the Plaintiff's product 'Silomat Dollies' was shared with Defendant No. 2, and they were also made aware of the existing suit patent. Since Plaintiff did not hear anything from Defendant No. 2, it did not have any means to verify the status of the parking project. Later, in November 2020, it came to Plaintiff's knowledge that Defendant No. 2 had obtained fire

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

safety permission from the Fire Department, Delhi for its automatic multi-parking system. On investigation, Plaintiff learnt that one Simpark Infrastructure Private Limited (Defendant No. 4) is handling the parking project at Defendant No. 2's site. Defendant No. 3 is the largest shareholder of Defendant No. 4 and controls its operations and management.

7. On investigation, it was found that Defendant No. 1 had placed an order of supply and import of 14 "Smart Dollies" for the project at Defendant No. 2's parking system from a company named - Nanjing Eli Parking Equipment Manufacturing Co. Ltd., located in located in Nanjing, China [*hereinafter*, '***Nanjing***']. This product is now installed/ being installed at the premises of Defendants No. 1 and 2. [*The product purportedly manufactured by Nanjing shall hereinafter be referred to as* "***Smart Dollies***"].

8. The Plaintiff investigated further and obtained pictures of the Smart Dollies lying at the site of Defendant No. 2, and on comparison, found that the same resemble the Silomat Dollies. The Plaintiff also compared the features of Claim No. 1 of the suit patent with the photos of the Smart Dollies and found that the machine used by Defendant No. 4 at Defendant No. 2's site has all the elements of Claim No. 1 of the suit patent. It is contended that Defendant No. 3 has illegally transferred to Defendant No. 4, the technology and/ or drawings of machineries related to the suit patent. The act of importation of Smart Dollies in the name of Defendant No. 1 is alleged to be a wilful breach of contractual confidential obligations, in connivance amongst all parties.

9. **RELEVANT ORDERS PASSED BY THIS COURT IN THE INSTANT SUIT:**

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

(i) After summons were issued, the parties were given an opportunity to file their defence to the suit and the instant application.

(ii) A local commissioner was appointed *vide* order dated 19th July, 2021 to take pictures and videos of the Smart Dollies which were being installed. Plaintiff was permitted to have its technical experts remain present at the time of execution of the commission.

(iii) On 15th September, 2021, after hearing the counsels, it was deemed appropriate to seek the opinion of scientific advisers, and accordingly, the Director of Indian Institute of Technology, Delhi was directed to appoint experts in the relevant field to assist the Court [*hereinafter, '**Scientific Advisors**'*] in determining certain questions of facts detailed in the order. The questions framed for the opinion of the scientific advisors read as follows:

> *"a. Whether all the features of the Plaintiffs Suit Patent as mentioned in Claim 1 are found in the Defendants' product as installed/lying in the premises of Defendant Nos. 1 and 2?*
>
> *b. What are the overlaps, in technology/ mechanism and the apparatus used, between the Defendants' product and the Plaintiff s suit patent?*
>
> *c. How is the process, apparatus and system used in the Plaintiffs patent different from the process, apparatus and system of the Defendants' product, i.e., whether the Defendant's products fall within the claims of the Plaintiffs patents.*
>
> *d. Whether the supporting means in Defendants' carriage has elements that are dissimilar to claims in Plaintiff's suit patent in terms of their parts and their method of operation?*
>
> *e. Whether the Defendants' product has the same mechanism of engagement with the motor vehicle as described in Claim No. 2 of the suit patent, if so, what are the elements of engagement? If not, what are the elements of disengagement?*
>
> *f. Whether the electronic device/mechanism for detecting the presence of the wheel of the motor vehicle and movement of the carriage are also present in the Defendants' product?*

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

g. *Are there any differences in the Defendants' carriage and the electronic/mechanical devices as described in the Plaintiff's claims for the suit patent?*

h. *Whether the claim comparison given by the Plaintiff in the suit is accurate, i.e., whether any claims set out in the patent are found to be in violation by the Defendants. Each claim has to be analysed separately for infringement.*

i. *Any other aspect that the Advisor deems it fit to report upon."*

(iv) In compliance with the afore-noted directions, Prof. Sudipto Mukherjee, Professor and Prof. J.P. Khatait, Associate Professor, Department of Mechanical Engineering, IIT Delhi were appointed as the scientific advisors who examined the Smart Dollies and mapped them against the claims in suit patent, and filed two reports, dated 07th & 16th December, 2021.

(v) The Power of Attorney Holder of the Plaintiff filed an affidavit dated 13th December, 2021 giving certain clarifications on the claim charts filed by the scientific advisors in the report dated 07th December, 2021.

SCIENTIFIC ADVISOR'S REPORT DATED 16TH DECEMBER 2021

10. The report is vital for adjudication of the application and detailed analysis thereof shall be conducted later on in the judgment. It would therefore be apposite to extract the same hereinbelow, for the sake of easy reference:

"Department of Mechanical Engineering

IIT Delhi

16/12/2021

Sub: Matter of Swain SA vs Indraprastha Cancer Society and Research Centre & Ors.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

*The four attached sheets in Appendix A enumerate the claims. The first column remarks on the corresponding element of the claim being found in the installation in Indraprastha Cancer Society and Research Centre, Rohini. In that column, a **Yes** indicates that the claim was found present. In that column, a **No** indicates that the claim element was absent.*

We proceed to answer the following specific questions.

a) Whether all the features of the Plaintiff's suit Patent as mentioned in Claim 1 are found in the Defendants' product as installed/lying in the premises of Defendant Nos. I and 2?

This question is answered in the negative. Specifically, the parts for supporting the wheels to be joined by means of hinges of horizontal axis perpendicular to its longitudinal axis was not found. Further, means of immobilizing the rear wheel was not found.

b) What are the overlaps, in technology/ mechanism and the apparatus used, between the Defendants' product and the Plaintiff's suit patent?

*The overlaps between the claims in the Plaintiff's suit and the product installed at the premises of defendant numbered I and 2 are indicated by **Yes** under the left most column against the features in the four pages of Appendix A of the document.*

c) Now is the process, apparatus and system used in the Plaintiff's patent different from the process, apparatus and system of the Defendants' product, i.e., whether the Defendant's products fall within the claims of the Plaintiff's patents.

The claims in the plaintiff's patent and the product installed at the premises of defendant numbered 1 and 2 have identical input-output functions, insofar as they both relate to dollies for cars.

The points of features in the patent claim being absent are indicated by No under the left most column against the features in the four pages of Appendix A of this document.

The installation at the premises of defendant numbered 1 and 2 use a) hydraulic motors in lieu of electric motors, b) Optical measurement instead of optical limit switches c) Motion triggered tire contact detector instead of pressure pads.

d) Whether the supporting means in Defendants' carriage has

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

elements that are dissimilar to claims in Plaintiff's suit patent in terms of their parts and their method of operation?

The supporting means in the product installed at the premises of defendant numbered 1 and 2 and the plaintiff's patent and have dissimilar elements in i) use of hydraulic instead of electrical actuation, ii) Use of parallel guidance instead of double start helical cam iii) Motion triggered limit switch instead of pressure sensors.

The supporting means in the plaintiff's patent and the product installed at the premises of defendant numbered 1 and 2 have identical method of operation, insofar as they both i) centre the tires with respect to the longitudinal axis of the carriage irrespective of the specific distance between tire axles, ii) raise tires on one axle by equal amounts.

e) Whether the Defendants' product has the same mechanism of engagement with the motor vehicle as described in Claim No. 2 of the suit patent, if so, what are the elements of engagement? If not, what are the elements of disengagement?

Means of engaging with the tire and hence the motor vehicle in Claim 2 of the suit patent report i) a centering bar parallel to the longitudinal axis of the carriage ii) metal supports underneath the centering bar and connected perpendicularly. These means of engaging with the motor vehicle are present in the installation.

f) Whether the electronic device/mechanism for detecting the presence of the wheel of the motor vehicle and movement of the carriage are also present in the Defendants' product?

This question is answered in the negative.

The Defendants' installation does not have a) pressure sensors to detect proximity of wheel of the motor vehicle, b) a cable drum to detect movement of the carriage.

g) Are there any differences in the Defendants' carriage and the electronic/mechanical devices as described in the Plaintiffs claims for the suit patent?

The points of features in the patent claim being absent are indicated by No under the left most column against the features in the four pages of Appendix A of the document.

The installation at the premises of Defendants' use a) hydraulic motors in lieu of electric motors, b) Optical measurement instead of

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

optical limit switches c) Motion triggered tire contact detector instead of pressure pads.

h) Whether the claim comparison given by the Plaintiff in the suit is accurate. i.e., whether any claims set out in the patent are found to be in violation by the Defendants. Each claim has to be analysed separately for infringement.

The claim chart filed lists only claim I.

We note that on page 126 of the submission, the claim is reproduced in the left column as -joined by means of hinges of horizontal axis perpendicular to its longitudinal axis, to allow relative motion between the two parts". It is stated in the right column that -joined by a hinge or equivalents". We submit that the configuration installed at the Defendants' premises does not use the equivalent of hinges of horizontal axis perpendicular to its longitudinal axis. The claim chart is not accurate at this point.

At page 128 of the submission, the claim is reproduced in the left column as "designed to support, center, immobilize and lift the two wheels of the second axle of the motor vehicle. It is stated in the right column that "The element (4) is also present on the Dolly installed at RGCH site." The statement in the right column lacks precision. On inspection, no feature to immobilize the rear set of wheels was found.

*As sought by the Hon. Court, the remaining claims have been examined. The four attached sheets in Appendix A enumerate the claims. The first column remarks on the corresponding element of the claim being found in the installation in Indraprastha Cancer Society and Research Centre, Rohini. In that column, a **Yes** indicates that the claim was found present. In that column, a **No** indicates that the claim element was absent.*

Elements pertaining to claims no. 12 to 15 are not installed in site and claims 13 to 15 are software/code for controlling the assembly. They are in themselves essential elements of all dollies used in parking installations and claim to inventiveness perhaps emerges only when present along with elements in Claims I to 12.

Submitted for consideration of the Hon. Court."

Appendix A, annexed to the said report is reproduced as under:

"**Appendix A**

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

Sub: Matter of Sotefin SA vs Indraprastha Cancer Society and Research Centre & Ors.

YES/NO	CLAIMS
	Claim 1
Yes	Self-propelled carriage on wheels
	for the horizontal transfer
Yes	between bays lined up along the longitudinal axis of the carriage of motor vehicles by lifting two or more wheels
Yes	in single or multistorey automatic mechanical car parks
	Carriage comprises
Yes	one or two pairs of supporting means for the wheels
Yes	of either or both of the axles of the motor vehicle being movable symmetrically and perpendicularly with respect to the longitudinal axis of the carriage
Yes	perform a centering action by means of a horizontal motion of the vehicle's wheels
Yes	variable according to the measure of the inside track of its pair of wheels
Yes	causing that the longitudinal axis of the vehicle coincides with that of the carriage
Yes	being also designed to immobilize
Yes	lift from beneath the said wheels
No	is jointed by means of hinges of horizontal axis perpendicular to its longitudinal axis
Yes	to allow relative motion between the two parts of the carriage one on either side of the hinge
	one part having at least four support wheels
Yes	other part at least two support wheels
	one part also having a pair of means that are

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

	movable symmetrically and perpendicularly with respect to the longitudinal axis of the carriage
Yes	designed to support, center, immobilize and lift the two wheels of one axle of the motor vehicle
	other part having a pair of means that are
Yes	movable symmetrically and perpendicularly with respect to the longitudinal axis of the carriage
No	designed to support, center, immobilize and lift the two wheels of one axle of the motor vehicle
Yes	pairs of means being shaped and positioned in such a way as to be able simultaneously to support the four wheels of the motor vehicle the four wheels irrespective of its wheelbase"

11. **CONTENTIONS OF THE PLAINTIFF:**

(i) Mr. Lall argues that the Smart Dollies are *ex-facie* infringing the suit patent and predominantly relies upon the reports furnished by the scientific advisors dated 07th and 16th December, 2021, to drive home this point. He argues that the scientific advisors have categorically observed and bifurcated Claim No. 1 of the suit patent into 19 elements, and have further observed that 17 sub-elements out of 19 are present in the Smart Dollies, and only 2 elements are not present. He submits that this differentiation is not germane for determining the question of infringement, and is also separate from the differentiation submitted and filed by Defendant No. 2 in its 'Note of Arguments' dated 10th September, 2021 in the present proceedings.

(ii) The Scientific Advisors' have stated that the Smart Dollies, *vis-à-vis.* claims in the suit patent, have identical input-output functions, insofar as they both relate to dollies for cars. There is no other difference in the

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

carriage; they perform the same function in substantially the same way i.e., the carriage which moves horizontally on essentially flat surfaces, supporting the load of whole carriage and overload that must be transported, without interfering with other devices and allowing smooth operation to the entire carriage.

(iii) On the 1st differentiating sub-element *viz.* hinging, it is submitted that the patented self-propelled carriage is "*jointed by means of hinges*", whereas the self-propelled carriage of the Smart Dolly is not. However, this is not an essential element and the Smart Dollies function exactly the same as the suit patent. Hence, the configuration in the Smart Dollies has an additional function incorporating the claimed function, and it cannot be argued that the Smart Dolly has a different function. Neither the Report, nor the Defendant, has given any explanation for additional functionality and utility of a shoulder joint style movement found in the Smart Dolly.

(iv) As per Scientific Advisors, the 2nd sub-element that is different in the two dollies is the immobilization features/ function. This, in the suit patent is at both sides of carriage, whereas the Smart Dolly has only on one side. Plaintiff relied upon its affidavit filed on 13th December 2021 to state that there is no difference in the carriages, as both of them perform the same function in substantially the same way i.e., the carriage which moves horizontally on essentially flat surfaces, supporting the load of the whole carriage and overload that must be transported, without interfering with the other devices and allowing smooth operation to the entire carriage. Hence, even for this element, the infringement is proved by equivalence. In support of his submissions, Mr. Lall relied upon the

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

judgments in ***TVS Motor Company Limited v. Bajaj Auto Ltd.***,[1] ***F. Hoffmann-La Roche Ltd. Switzerland v Cipla Limited*** [*hereinafter referred to as* '*Roche v. Cipla*'],[2] & ***Ravi Kamal Bali v Kala Tech & Ors***.[3]

(v) *Injunctive relief on an about-to-expire patent*: The Plaintiff would be entitled to an injunction to restrain the use of Smart Dollies which were made and imported at a time when the patent was valid, notwithstanding the approaching expiry. Though there is no precedent on this point under Indian law, the law in the US,[4] and UK,[5] are consistent in this approach. This interpretation is also in line with Article 20(1) of the Constitution of India, the first part whereof reads that "*No person shall be convicted of any offence except for violation of a law in force at the time of the commission of the act charged as an offence*…".

(vi) The rigors of Sections 48 and 108 of the Patents Act, 1970 [*hereinafter, '**the Act**'*] apply throughout the length of the patent, without exception. Under Section 53(4), it is only "*on expiry of the term of patent, the subject matter covered by the said patent shall not be entitled to any protection*". The corollary to this is that a patent shall be entitled to "*any protection*" during the "*term of patent*". Hence, any import made during the term of the patent, infringing suit patent, is in violation of a patentee's

[1] MANU/TN/0976/2009.
[2] 2016 (65) PTC 1 (Del).
[3] (2008) 38 PTC 435.
[4] ***Clark v Wooster**, 119 U.S. 322 (US Supreme Court); **Reay v Reynor**, 19 F. 308 (1884)(United States Circuit Court for the Southern District of New York); **Fulton v Bishop**, 17 F.2d 1006 (Circuit Court of Appeals, Sixth Circuit); **Toledo v Johnston**, 24 F. 739 (1885) (United States Circuit Court for the Northern District of New York).*
[5] ***Merck Canada v. Sigma***, 2013 RPC 2 (2012 EPWCC 21) (England and Wales Patents Country Court).

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

exclusive rights, except for the Bolar Exemption provided for in Section 107A(a).

(vii) Any patented product manufactured either without authority of the patentee, or by way of, for example, a compulsory license granted under law, would be a pirated product,[6] and not a parallel import. Parallel imports are not pirate copies but items lawfully made and put into circulation in a foreign country with the permission of the intellectual property right holder.[7]

(viii) *Chinese Patent*: Defendant No. 1 and 2 have imported fourteen Smart Dollies from Nanjing. Plaintiff has been informed by the Defendants that Nanjing is the patentee in respect of the above product, having obtained a Patent in China [*hereinafter, '**Chinese Patent**'*]. The patent(s) relied upon by the Defendants is for a machine which is not related to the Dolly technology, and instead, relates to a lifting mechanism with hydraulic motors which is not part of any of the claims of suit patent. The Defendants have produced no evidence mapping the Smart Dollies to the Chinese patent. Further, the Defendants rely upon an unofficial translation of a court decision in Chinese, which is inadmissible in evidence.

12. **CONTENTIONS OF DEFENDANTS NO. 4:**

Per contra, Mr. Saikrishna Rajagopal, counsel for Defendant No. 4, on the other hand, makes following submissions:

---

[6] Products infringing a patent are termed as pirated – *See:* Supreme Court of Canada in ***Free World v. Electro Sante***, 2000 SCC OnLine Can SC 66.
[7] *Warner Bros. Entertainment Inc. and Ors. vs. Mr. Santosh V.G.*, MANU/DE/0406/2009.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

(i) In order to conclude that the product being installed at the premises of Defendants No. 1 & 2 infringes the suit patent, the Court ought to reach a finding that all the essential elements of the suit patent's claims are present in the Smart Dollies.[8]

(ii) As per the Report dated 16th December 2021, there are 19 elements in Claim 1 of the suit patent, of which, two essential elements are found to be absent in the Smart Dollies by the Scientific Advisors. Such absence has also been admitted by the Plaintiff in its affidavit dated 13th December 2021. The two essential elements that have been found to be absent are:

(a) <u>*Supporting means*</u>: Claim 1 states that the carriage comprises "*one or two pairs of supporting means*". The components of the supporting means and its method of operation are claimed in Claims 5 & 6. As per the Report dated 16th December 2021, "*supporting means in the product installed at the premises of*" Defendants No. 1 and 2 "*and the plaintiff's patent and have dissimilar elements*".

(b) <u>*Means to detect presence of wheels*</u>: Claim 2 & 3 provide that the carriage is fitted with sensors for detecting the presence of wheels. The Scientific Advisors have found that such devices, as claimed, are absent in the Smart Dollies.

(iii) <u>*Other missing elements*</u>: The Smart Dollies does not consist of an electrical/ electro-mechanical system. It is hydraulic in nature and works

[8] Ref: ***Rodi & Wienenberger A.G. Vs Henry Showell Ltd.***, 1966 RPC (441); ***Hind Mosaic and Cement Works and Ors. Vs Shree Sahjanand Trading Corporation and Ors.***, 2008(37) PTC128(Guj); and ***Roche v. Cipla Ltd*** (supra).

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

on a piston system.[9] The Smart Dollies does not contain pressure sensitive pads and uses motion triggered technology.[10] The movement and position of the carriage is guided by ropes, rollers and shaft (cable drum system).[11] This element is absent in the Smart Dollies.[12] The Smart Dollies does not contain the helical cams found in the Plaintiff's claims.[13] Further, the elements required to be installed at the operating site as claimed in Claims 12-15 are not installed at Defendants No 2's site, highlighting the difference in the method of operation of Smart Dollies.[14]

(iv) In its plaint and oral submissions, Plaintiff has adopted an incorrect test of comparing its product to the Smart Dollies, including a video played before this Court on 06th January 2022, to establish a *prima facie* case in its favour. The correct test of patent infringement is to compare the Smart dollies to each of the claims of suit patent, which is the approach followed by the Scientific Advisors. Based on such analysis, the Scientific Advisors have reached the conclusion that Smart Dollies lack certain essential features of suit patent's claims, as has been delineated above. Therefore, it is abundantly clear that the Plaintiff has failed to make out a *prima facie* case in its favour and Smart Dollies do not infringe the suit patent.[15]

(v) Additionally, the suit patent expires and falls into the public domain on

[9] Ref: responses to questions (c), (d), and (g)
[10] Ref: responses to questions (d), (f), and (g), and Appendix thereto.
[11] Ref: Claim 8 of suit patent.
[12] Ref: Response to question (f).
[13] Ref: Claim 5 & 6 of suit patent; response to question (d) and Appendix.
[14] Ref: Response to question (h).
[15] *See*: ***Roche v. Cipla*** (supra) at Para 67(xiv).

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

13th March 2022, i.e., just a month away. If the Smart Dollies are found to be infringing the suit patent, the Plaintiff can be compensated by way of the damages claimed by it.[16]

(vi) Patentee has wilfully not instituted any proceedings in China for infringement, which shows that it cannot now claim infringement against the Defendants.

(vii) The Smart Dolly is protected by one invention patent and two additional utility patents in Nanjing, which are subsisting in China along with suit patent corresponding to IN 214088, which implies that the Nanjing patents are inventive, non-obvious and non-infringing of suit patent.

(viii) Defendant No. 4 is not the producer, end-user, or importer of the Smart Dollies, and is only a third-party installer with limited infrastructural knowledge. It has neither received nor used any drawings pertaining to Silomat Dollies from Defendant No. 3.

(ix) Plaintiff, as per Section 69 of the Act, had no authority to institute the present proceedings, as only a registered (exclusive) licensee can do so. Plaintiff's alleged license agreement is not registered with the Controller of Patents. Plaintiff's reliance on clause 2.3(c) of the agreement dated 11th September 2019 is unsustainable as its prerequisites have not been complied with.

13. **CONTENTIONS OF DEFENDANTS NO. 1 & 2:**

Mr. Neeraj Malhotra, senior counsel for Defendants No. 1 & 2, at the outset,

[16] *See*: ***Roche v. Cipla*** (*supra*) at Para 183.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

stated that all the objections on merits, as raised by Mr. Saikrishna, are adopted by Defendant No. 4. Additionally, following arguments were made:

(i) The averments made in the plaint are based upon mere apprehensions and do not disclose any cause of action. Since the Smart Dollies imported by Defendants No. 1 & 2 are in the process of being installed, and have not yet started operating. The Plaintiff, at this stage, cannot allege infringement on basis of mere photographs. In fact, the plaintiff in para no. 36 of the plaint, admits that it has not even seen the videos of the machines/ product imported by the answering Defendants.

(ii) Details of the Chinese patent are as follows: [*hereinafter, '**Chinese patent**'*]:

A. *Name / title of the Invent ion - Intelligent garage handling robot.*
B. *Application No. - ZL20120057015.2*
C. *Application Grant date - 18.06.2014*
D. *Patent No. - ZL 20 12 1 005701 5.2*
E. *Date of Expiry of the Patent - 18.06.2034*

(iii) Independent Claim No. 1 of the Nanjing patent shows the process of "*automatically controlled unmanned fully hydraulically driven garage vehicle handling robot*, *belonging technical field of intelligent garage"*, which is materially different from independent Claim No. 1 of the suit patent, in respect of which infringement is alleged by the Plaintiff in terms of para no. 41 of the Plaint. Thus, the two products are entirely different.

(iv) If both – Silomat Dollies and Smart Dollies are separately and concurrently patented in China, it proves that the two inventions are different.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

(v) The term "patented products" as appearing in the Act implies products which are patented abroad as well.

(vi) The parking lot is not a commercial project, as the Defendant 2 shall not be levying any parking charges on its users. Defendants No. 1 & 2 are only the end users who have just imported the Dollies from Nanjing.

(vii) The Plaintiffs product works on a mechanical system powered by electric motor(s) using a cable system. Mechanical system operated Dollies are smoother in operation, have a 360-degree access, a better productivity and need less maintenance. The Defendants imported product works on a hydraulic system using compressed oil/ fluid to generate power to lift, is more cost effective, cheaper than a mechanical operated dolly, uses less space and requires more maintenance.

(viii) Arguendo, assuming without admitting that the Smart Dollies are in any manner infringing the suit patent, it is contended that Nanjing (the Patentee/ Licensee of Chinese patent), is duly authorized under law in China to produce and sell the Smart Dollies. Therefore, importation thereof would not constitute infringement under Section 107A(b) of the Act. In terms of the said Section, parallel imports are allowed to ensure availability of patented goods/ products at reasonable prices. In order to allow parallel import, by way of amendment of the law in 2005, the above provision of law has been made more effective by dispensing with the requirement of importing from a person who is duly authorized by the patentee.

(ix) In the pre-amended provision of Section 107A(b), exemption was

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

available only to imports made from a person authorized by a patentee. The Section underwent change in 2005 whereby the words '*who is duly authorised by the patentee to sell or distribute the product*' were replaced by '*who is duly authorised under the law to produce and sell or distribute the product*'. After the amendment, the provision has become wider. Since parallel import goods are permitted and the Smart Dollies are a patented product, duly authorised under the law in the state where it is being manufactured, the importation thereof would not amount to infringement. Hence, Section 107A(b) is relied upon to oppose the existence of a *prima-facie* case in favour of the Plaintiff.

(x) Plaintiff's attempt to give a restricted meaning to Section 107A(b) of the Act is incorrect and impermissible, in view of the clear stand of Indian authorities indicated from the responses given by India at the WTO, as noted in it Report dated 14th October 2011. This is also assisted by the fact that the provision underwent an amendment in 2005 and is now is much wider in scope.

(xi) <u>*On injunctive relief*</u>: Plaintiff has not made out a *prima facie* case, balance of convenience, and irreparable loss. *Prima facie* case is not made out as the Defendant's goods are authorised under Chinese law and thus do not infringe suit patent. Since suit patent expires in two months, balance of convenience does not lie in its favour for granting injunction. Plaintiff has claimed damages and therefore, cannot allege that there would be irreparable loss which cannot remedied except through relief of injunction. If at all, the products of Defendants are found to be infringing, Plaintiff can be adequately compensated at the

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

end of the trial, by award of compensatory relief in the nature of damages. Therefore, the injunction should not be granted.

(xii) Any injunction granted in favour of the Plaintiff at the fag end of the validity of the suit patent, would not meet the ends of justice. Validity of the suit patent is to expire on 13th March 2022 and the Plaintiff will lose its right under Section 48 of the Act. Any injunction so granted would only be transitional in nature and would have to be vacated on 13th March 2022 when the term of suit patent would expire. In the eventuality of any infringement being proved by the Plaintiff against Defendants No. 1 & 2 later on, Plaintiff can always be compensated by means of damages or rendition of accounts, which would be the logical, legal and the efficacious remedy in the facts and circumstances of the present case.

(xiii) If the injunction is granted, it will lead to a complete stand still of the project, idleness of on-site labour and immense financial loss to the answering Defendants. Thus, balance of convenience is also tilted in the Defendant's favour.

(xiv) Harm or injury is irreparable when it cannot be remedied, except through injunctive relief. Section 41 of the Specific Relief Act, 1973 stipulates that no injunction shall be granted if there is an alternative and efficacious remedy available. It is also settled law that economic damages arc not traditionally considered irreparable because the injury can be remedied by grant of damages at a later stage. Any temporary loss of income ultimately to be recovered, does not constitute irreparable injury.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

ANALYSIS

14. We are at an interlocutory stage to decide whether Plaintiff should be granted an injunction, pending adjudication of the suit.

15. At the onset, it is noticed that there is no challenge laid out by any of the parties on validity of the suit patent. Thus, the scope of inquiry is confined to the aspect of infringement of suit patent alone. While examining this question, certain intricate questions of fact and law arise in view of the objections raised by the Defendants, and an endeavor is made to give an opinion on the same, to the extent it is necessary for adjudication of the interim application.

What is the suit patent?

16. The suit patent No. 214088, as noted above, is in respect of a 'carriage for horizontal transfer of motor vehicles in automatic mechanical car parks'. This is also referred to, by both the parties, as a 'dolly/dollies'. To be specific, the invention relates to one of the systems normally used in handling motor vehicles in this field, namely a carriage for horizontal transfer of the motor vehicles from the parking bay (or from the entrance bay) to a handling platform, the function of which is to transport the carriage, with or without a motor vehicle, between the parking bay and the entrance and exit bays, or from a handling platform to the parking bay (or to the exit bay). The main functions of the suit patent are centering, lifting and transfer of the vehicle.

17. The patented technology is protected in various places such as USA, Europe, Canada, Australia, etc. and the status of such protections is enumerated in para no. 15 of the plaint. The Sotefin Group has been vigilant

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

in protecting its intellectual properties in foreign countries. Sotefin Patents SA had also been granted a Chinese patent No. ZL02803734.0 on 23rd February 2005, which was later transferred to a joint venture named Elecon Asia SA (wherein Sotefin Patents SA was a JV partner along with a Chinese company). The suit patent has been existing for almost close to 20 years in India without any third-party challenge to its validity at any stage, either at a pre-grant or post-grant stage.

Whether the Plaintiff has established a prima facie case for infringement?

18. Infringement is to be adjudged objectively and Defendant's intention may not be a material criterion to determine this question. However, intent to infringe can be a relevant and significant factor for the purpose of deciding the relief of injunction to restrain infringement. In this light, facts of the case become pertinent. Plaintiff's stand as set out in the plaint has already been taken note of in the preceding paragraphs and need not be recounted. The Defendants obviously controvert the allegations and no doubt adjudication thereof would require evidence. However, at this juncture, a *prima facie* view can be taken on the basis of the pleadings before the court.

19. Plaintiff has contended that the users of the infringing products are Defendants No. 1 and 2. The Plaintiff had earlier entered into a supply contract dated 10th December, 2011 with Defendant No. 3 and provided it with the complete set of European style mechanical assembly/ detailed drawings in relation to the suit patent, on confidential basis. Defendant No. 4 is a subsidiary of Defendant No. 3.

20. In 2017, Plaintiff approached Defendant No. 2 in response to a tender

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

for automatic car parking system. The Plaintiff contends having informed Defendant No. 2 of the suit patent and thereafter, Defendant No. 3 approached Defendant No. 2 for the same tender, introducing Nanjing. The tender was then given to Defendant No. 4. Defendant No. 3 in its reply has contended that Defendant No. 1 and 2 had an independent transaction with Defendant No. 4 and that '*Defendant No. 4 was alien to the Agreement dated 10th December, 2011*'.

21. Defendant No. 3 was to keep the information relating to know-how and technology provided by the Plaintiff in relation to suit patent, including all terms and technical information, strictly confidential, and not disclose the same to third parties as per the agreement dated 10th December, 2011. In the reply, Defendants No. 1 & 2 have taken a stand that Defendant No. 3 has assumed complete responsibility for the installation, execution and operation of the entire project at the site of Defendants No. 1 & 2, and the Smart Dollies have been purchased by Defendant No. 2 from Nanjing, through Defendant No. 4. Further, Defendants No. 1 & 2 contend that it was Defendant No. 3 who introduced them to the Chinese manufacturer. Defendant No. 3, on the other hand, has attempted to wash off its hands by seeking deletion from the suit, contending that it is not a necessary party, and has nothing to do with the parking project. Defendant No. 3 contends that Defendants No. 1 & 2 independently contracted with Defendant No. 4. Further, no arguments have been advanced on behalf of Defendant No. 3 in the present application.

22. The prior contractual relationship between the Plaintiff and Defendant No. 3, whereunder confidential information was transferred, is a matter of record. Then, the association between Defendant No. 3 and 4 is also apparent.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

In light of the facts narrated above, and the incoherent stand of Defendants, *prima facie* merit is found in the contention of the Plaintiff that Defendant No.3 illegally transferred the technology, relating to the suit patents, to Defendant No. 4, and the importation of the machines by Defendant No. 1 was an act to avoid any action from the Plaintiff.

23. That said, the fundamental question before the court is whether dollies being installed at Defendant No. 2's site infringe the suit patent or not. The onus of proving infringement lies on the patentee and thus for seeking injunction, Plaintiff has to on *prima facie* basis, demonstrate that the Smart Dollies are infringing its patent. To support the charge of infringement, Plaintiff has mapped the claims of the suit patent with the Smart Dollies and relied upon an expert opinion filed along with the suit. The said expert – Mr. Ashwini Kumar – concluded that, "*The dolly has arms suitable to lift the cars by lifting both front and rear wheels as in the patented equipment of Sotefin Parking.*" On Patent Claim 1, he concluded that, "*the dolly appears to be the same subject matter of the claim*." On Patent Element 2 and 4, his report concluded that it "*appears to be present on the carriage in RGCH*". For element 3, his report stated that, "*Definitely, the patent element (3) also appears to be present in the RGCH carriage*". The final observation was: "*In my observation and as stated in above 4 elements of the patent claim (these together comprise the patent), all patent elements claimed in patent document are present in the Dollies at RCGH*."

24. The aforenoted expert opinion was made by comparing the claims of the suit patent with pictures of the Smart Dollies, as Mr. Ashwini Kumar did not have access to Smart Dollies. For this reason, reliance on his report has to

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

be circumspect. Nonetheless, the court has benefit of the opinion and report rendered by independent scientific advisors, appointed vide an earlier order. Their opinion, relied upon by both parties for different reasons, narrows down the controversy considerably. The Scientific Advisors have inspected the Smart Dollies and mapped the same to Claim no. 1 of the suit patent, and opined as under:

> *"c) How is the process, apparatus and system used in the Plaintiff's patent different from the process, apparatus and system of the Defendants' product, i.e., whether the Defendant's products fall within the claims of the Plaintiff's patents.*
>
> ***The claims in the plaintiff's patent and the product installed at the premises of defendant numbered 1 and 2 have identical input-output functions, insofar as they both relate to dollies for cars.***
>
> ***The points of features in the patent claim being absent are indicated by No under the left most column against the features in the four pages of Appendix A of this document.*** *The installation at the premises of defendant numbered 1 and 2 use a) hydraulic motors in lieu of electric motors, b) Optical measurement instead of optical limit switches c) Motion triggered tire contact detector instead of pressure pads."*

25. On a detailed analysis of the aforenoted report and Appendix A[17], it is revealed that 17 of the 19 elements of Claim No. 1 of the suit patent were found in Smart Dollies. The two elements which were found to be missing, are as follows: "*Specifically, the parts for supporting the wheels to be joined by means of hinges of horizontal axis perpendicular to its longitudinal axis was not found*", and immobilization by lifting "*the two wheels of one axle of the motor vehicle*", which "*immobilization of the rear wheel was not found*".

26. Next, Claim No. 2 of the suit patent is found to be infringed in each element. The remaining claims relate to sensors, and the Report concludes that:

> "*The Defendants' installation does not have a) pressure sensors to detect*

[17] Appendix A to the Scientific Advisors report is reproduced above in para no.11.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

proximity of wheel of the motor vehicle, b) a cable drum to detect movement of the carriage." It states that "*the installation at the premises of defendant numbered 1 and 2 use a) hydraulic motors in lieu of electric motors, b) Optical measurement instead of optical limit switches c) Motion triggered tire contact detector instead of pressure pads.*"

27. With respect to hydraulic motor, the following observations were made in respect of questions (d) and (g):

> *"d) Whether the supporting means in Defendants' carriage has elements that are dissimilar to claims in Plaintiff's suit patent in terms of their parts and their method of operation?*
>
> > *The supporting means in the product installed at the premises of defendant numbered 1 and 2 and the plaintiff's patent and have dissimilar elements in i) use of hydraulic instead of electrical actuation, ii) Use of parallel guidance instead of double start helical cam iii) Motion triggered limit switch instead of pressure sensors.*
> >
> > *The supporting means in the plaintiff's patent and the product installed at the premises of defendant numbered 1 and 2 have identical method of operation, insofar as they both i) centre the tires with respect to the longitudinal axis of the carriage irrespective of the specific distance between tire axles, ii) raise tires on one axle by equal amounts.*
>
> *xx … xx … xx*
>
> *g) Are there any differences in the Defendants' carriage and the electronic/mechanical devices as described in the Plaintiff's claims for the suit patent?*
>
> > *The points of features in the patent claim being absent are indicated by* ***No*** *under the left most column against the features in the four pages of Appendix A of the document.*
> > *The installation at the premises of Defendants' use a) hydraulic motors in lieu of electric motors, b) Optical measurement instead of optical limit switches c) Motion triggered tire contact detector instead of pressure pads."*

28. On the basis of commonality in the claims and elements, and the differences noticed during mapping by the Scientific Advisors, counsels have taken opposing stands. Mr. Lall has argued that the differences noted by the Scientific Advisors qua sub-elements would not avert infringement. Mr. Saikrishna and Mr. Malhotra on the other hand apply all-element test to

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

conclude that in order to determine infringement, it is imperative for the court to reach a finding that all the essential elements of the suit patents claimed are present in the Smart Dollies. There is no quarrel on the proposition that all the essential elements of the suit patents claimed are required to be found in the Smart Dollies in order to establish an infringement. In ***Rodi & Wienenberger*** (*supra*), the judgment relied upon by Mr. Saikrishna, this principle has been well-explained, as follows:

> *"If the language which the patentee has used in the claims which follow the description upon its true construction specifies a number of elements or integers acting in a particular relation to one another* ***as constituting the essential features of his claim****, the monopoly which he obtains is for that specified combination of elements or integers so acting in relation to one another-and for nothing else.* ***There is no infringement of his monopoly unless each and every one of such elements is present in the process or article which is alleged to infringe his patent and such elements also act in relation to one another in the manner claimed.*** *The law as to the principles of construction of claims in specifications in the modern form seems to me so laid down clearly and authoritatively in the judgment of Upjohn, L.I. in Van de Lely v. Bamfords 20 Ltd. [1961] R.P.C. 296 at 312, which was approved by the majority of the House of Lords on appeal: [1963] R.P.C. 61*."
>
> [emphasis supplied]

29. However, the emphasis must be on mapping of 'essential elements'. Thus, the crux of the matter lies in the answer to the question as to whether the two elements viz. *hinging* and *immobilization of rear wheels*, which are admittedly found missing in the Smart Dollies, are so essential or substantial that their absence would disentitle the Plaintiff to an injunction.

Whether the claim specifications are to be seen as a whole, or can the sub-elements be seen individually?

30. Claims define the scope of the invention, for which protection is claimed by a patentee. As per Section 10(4) of the Act, specifications of a patent should fully and particularly describe the invention. The specifications should disclose the invention and support the features narrated in the claims.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

The construction of a claim has to be done as a whole, to determine its true scope and to give it an effective meaning. The specifications which describe the invention have to be read from the point of view of the notional person acquainted with the language of the patent claim.

31. In ***Roche v. Cipla*** (*supra*), a case concerning infringement of pharmaceutical products, the court delved into claim construction and held as below:

> *"**67.** For the above conspectus, pithily put, principles of claim construction could be summarized as under:--*
> *(i) xx … xx … xx*
> *(ii) xx … xx … xx*
> *.*
> *.*
> *.*
> *(xv) The parts of the claim include its preamble, transition phrase and the body. The 'transition phrase' includes terms like:--*
> *(a) Comprising;*
> *(b) Consisting;*
> *(c) Consisting essentially of;*
> *(d) Having;*
> *(e) Wherein;*
> *(f) Characterised by;*
>
> *Of these terms some are open ended, such as 'comprising' which means that if the claim contains three elements 'A', 'B' and 'C' it would still be an infringement for someone to add a fourth element 'D'.*
>
> *Further some terms are close ended such as 'consisting of, i.e. in a claim of three elements, 'A', 'B' and 'C' a defendant would infringe if he has all three elements. In case the defendant adds a fourth element 'D' he would escape infringement.*"

32. This aforenoted decision is strongly relied upon by Mr. Saikrishna to contend that there is no infringement in the instant case, as all elements of Claim No. 1 are not found in the infringing product. In the opinion of the court, the afore-noted legal proposition canvassed by Mr. Saikrishna is not

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

entirely correct, although there is some merit in this submission. For patent infringement analysis, comparison of elements of the suit patent's claims is to be done with the elements/ claims of the infringing product. On comparison, there can be a case of non-literal infringement, where each and every component of patent specification is not found in the infringing products. In other words, all the elements of a claim may not entirely correspond in the infringing product, as has been pointed by the experts, in the instant case. However, it does not inevitably mean that there can be no infringement. It is the pith and marrow of the invention claimed that is required to be looked into, and we do not have to get lost into the detailed specifications and do a meticulous verbal analysis which the parties have engaged into the Court.

33. The critical question is whether the elements not found in the Smart Dollies, are essential or not, so as to construe an infringement. For determining the question of infringement, it must be borne in mind that the non-essential or trifling variations or additions in the product would not be germane, so long as the substance of the invention is found to be copied. Pure literal construction is not be adopted, rather, doctrine of purposive construction should be applied. The court shall also apply Doctrine of Equivalence to examine if the substituted element in the infringing product does the same work, in substantially the same way, to accomplish substantially the same result. On this aspect, lets first take note of the judicial precedence. In the case of ***Raj Prakash* v. *Mangat Ram***,[18] a division bench of this court held that a minor variation cannot be treated as a shield from piracy, in the following words:

> *"12. We have, therefore, to read the specifications and the*

[18] ILR (1977) II Del 412.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

claims from the point of view of the persons in the trade manufacturing film strip viewers. It is the pith and marow of the invention claimed that has to be looked into and not get bogged down or involved in the detailed specifications and claims made by the parties who claim to be patentee or alleged violaters. (See Birmingham Sound Reproducers Ld. v. Collaro Ld. and Collaro Ld. v. Birmingham Sound Reproducers Ld., 1956 R.P.C. 232)(2)."

Next at para 16 it was noted that:

"A.I.R. 1969 Bombay 255(8), held that the main function of the court is to construe the claims (stated at the end of specifications in the patent) which are alleged to have been infringed without reference to the body of the specifications and to refer to the specification only if there is any ambiguity or difficulty in the construction of the cliams in question. He further observed that where one of the claims in respect of which infringement is alleged is wide enough to cover all methods for achieving particular result, the question is not as to the method actually followed by the plaintiffs but is whether the method followed by the defendants is covered by the claim in the plaintiff's patent. The onus as to the invalidity of a plaintiff's patent and the grounds of insufficiency of description, want of novelty, absence of inventive steps and want of utility was rightly placed on the defendants. The learned Judge further observed that in an action for infringment of patent to meet the defence under Section 29(2) read with Section 26, that the patent was invalid due to insufficiency of description, the claim in the specifications of the patent need only be as clear as the subject admits, and the patentee need not so simplify his claim as to make it easy for infringers to evade it."

Further at para 25 and 26 it was observed as follows:

"25. 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 a 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, then 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.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

R. in Beecham Group Limited v. Bristol Laboratories Ltd. and another, 1967 (16) R.P.C. 406 (12) :-

"The evidence here shows that in making 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 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."

26. We have seen the viewers marketed by the defendants and the viewers produced by the plaintiff. The viewers marked and kept on record as (1), (1A) Mecorama and a fourth viewer are definitely objects produced by piracy of the plaintiff's patent. The defendants have made certain variations in its viewers but these are unessential; and what the defendants market is substantially the same thing, as was conceived by the plaintiff. By trifle variations if the effect obtained by the defendants is the same, and we hold that it is the same, then according to the rule enunciated in the Ampicillin case, referred to above, there is a clear piracy. The idea of the plaintiff which is a novelty is clearly infringed. In any case, the infringement is admitted by defendants 1 and 2. We have dealt with this matter in detail because the defendant No. 3 has put in appearance at the last stage but does not admit infringement. Therefore, we hold that there is clear infringement of the plaintiff's patent, which we have delineated above."

34. Reliance is also placed upon the decision of the Supreme Court of Canada in the case of ***Free World Trust* v. *Electro Sante Inc***.,[19] wherein the court formed the view that non-essential elements may be omitted or substituted, but that too would not shield infringement. It summarized the issue as follows:

*"**31.** The appeal thus raises the fundamental issue of how best to resolve the*

[19] [2000] 2 SCR 1024.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

tension between "literal infringement" and "substantive infringement" to achieve a fair and predictable result. There has been considerable discussion of this issue in Canada and elsewhere, which I will discuss briefly in support of the following propositions:
(a) The Patent Act promotes adherence to the language of the claims.
(b) Adherence to the language of the claims in turn promotes both fairness and predictability.
(c) The claim language must, however, be read in an informed and purposive way.
(d) The language of the claims thus construed defines the monopoly. There is no recourse to such vague notions as the "spirit of the invention" to expand it further.
(e) <u>The claims language will, on a purposive construction, show that some elements of the claimed invention are essential while others are non-essential. The identification of elements as essential or non-essential is made:</u>

(i) on the basis of the common knowledge of the worker skilled in the art to which the patent relates;
(ii) as of the date the patent is published;
(iii) having regard to whether or not it was obvious to the skilled reader at the time the patent was published that a variant of a particular element would not make a difference to the way in which the invention works; or
(iv) according to the intent of the inventor, expressed or inferred from the claims, that a particular element is essential irrespective of its practical effect;
(v) without, however, resort to extrinsic evidence of the inventor's intention.

*(f) **<u>There is no infringement if an essential element is different or omitted. There may still be infringement, however, if non-essential elements are substituted or omitted.</u>***

32. *Based on the foregoing principles, I conclude that the appellant's arguments must be rejected. As stated, the ingenuity of the patent lies not in the identification of a desirable result but in teaching one particular means to achieve it. The claims cannot be stretched to allow the patentee to monopolize anything that achieves the desirable result. It is not legitimate, for example, to obtain a patent for a particular method that grows hair on bald men and thereafter claim that anything that grows hair on bald men infringes. I turn then to the first of the propositions listed above."*

[Emphasis supplied]

35. In light of the afore-noted principles, let's now analyze the two sub-elements that are absent in the infringing products. No other differences were noticed by the expert *qua* Claim No. 1.

(i) <u>*Hinging*</u>

36. The hinges as per Claim No. 1 of the suit patent is characterized by being *'jointed by means of hinges'*. Hinging was not found on the

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

configuration installed at the Defendant's premises. The Scientific Advisors have stated in their report that "*the configuration installed at the Defendants' premises does not use the equivalent of hinges*".[20] The suit patent's self-propelled carriage has hinges joints, whereas the self-propelled carriage of the Smart Dolly does not. The Plaintiff argued that this is not an essential element of the Claim, and the Smart Dollies function exactly the same as the Solimat Dollies, as both the carriages have similar construction, and allow the carriage base frame to perform the longitudinal motion and achieve the same result in substantially the same way as claimed in Claim No. 1. The Plaintiff has also demonstrated this movement by playing a video thereof during court proceedings.

37. Although, the Report dated 16th December 2021 does not clarify how the self-propelled carriage of the Smart Dollies are joined, but, on a query from the Court during the course of hearing, the scientific advisors explained the concept of hinges in a simple language, to say that - the hinges as claimed in Claim No. 1 of the suit patent work unidirectionally like an elbow joint in a human body, whereas the configuration installed at the Smart Dollies acts as a shoulder joint, giving more room for multi-directional movement. The function of elbow joint is covered under the function of a shoulder joint as well. Keeping the analogy of shoulder and elbow joint in mind, although the shoulder joint - hinges give extra movement, nevertheless, this additional invention incorporated in the Smart Dollies cannot be construed to be an essential element, which could render the Smart Dollies to be substantially different from that of the Plaintiff.

[20] Ref: Response to question (h).

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

38. The Court had also pointed questions to the Scientific Advisors on the functionality of the hinges and if the same substantially enhanced the working of the smart dollies. The experts opined that "*if one over-constrains a system, extra stress is put on the part. The job of the hinge is to reduce the pressure*". *Prima facie,* this indicates to the Court that the hinge element - not found in the Smart Dollies - is not a substantial difference in the functionality, and it achieves substantially the same result in substantially the same way, as claimed in suit patent.

(ii) *Immobilization of wheels*

39. Likewise, with respect to the second element, *viz.* immobilization of rear wheels, the claim element of the suit patent provides that the supporting means are '*designed to immobilize ad lift from beneath the four wheels*'. The Smart Dollies does not possess this feature. During the hearing, the Scientific Advisors were queried on this aspect as well. They explained that the suit patent immobilizes the wheels at the front as well as the back of the machines, and whereas the Smart Dollies have means to immobilize only at one end. When the Scientific Advisors were probed further, they explained that "*By releasing the rear immobilization, there is a release of pressure*." This suggests that the feature of immobilization at two sides does not have material effect upon the working of the invention.

40. In view of the foregoing discussion, it manifests that the two elements missing in the Smart Dollies do not indicate that the additional features enhance functionality, as asserted by the Defendants. The Reports indicate identical input/ out functions and identical method of operation in Smart Dollies. Thus, *prima facie*, it manifests that this variation is insignificant, and

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

the substance of the suit patent has been copied.

41. In light of the above discussion, and keeping in view that 17 of the 19 elements of Claim No. 1 of the suit patent were found to subsist in the infringing products, the Plaintiff has successfully established a strong *prima facie* case that the Defendants' Smart Dollies are infringing the suit patent.

42. It is also to be noted that mapping of one of the independent Claim No.1 is sufficient to constitute infringement, even if the dependant claims may differ, without going into the mapping of the remaining, dependent claims.[21]

43. Having thus opined that the Plaintiff has sufficiently discharged its burden and made a case for grant of injunction, the court next proceeds to examine the objections raised by the Defendants against grant of injunctive relief sought by the Plaintiff.

Is the protection to the patent any less forceful towards the end of its term?

44. The suit patent was granted on 13th March 2002 and is expiring shortly on 13th March, 2022. The Defendants, relying on the proximity of the expiry date of patent rights, have argued that the Plaintiff should be denied the relief of injunction. In the opinion of the Court, the protection available under law is no less at the time when the patent protection is nearing its end, than what is afforded when the entire term is available. The monopoly granted to exploit the invention without competition, during the term of the patent, would apply in equal vigor, notwithstanding the fact that the patent is on its last legs. Sections 48 and 108 of the Act would apply throughout the life of the patent

[21] Claim No. 2 is a dependent claim as it begins with the words - *"Carriage as claimed in claim 1, wherein each pair of means designed to support the wheels* (…)". Similarly, Claim No. 3 is dependent on Claim No. 2, Claim No. 4 is dependent on Claim No. 3, and so on.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

without exception. Section 53(4) uses the expression '*on expiry of the term of patent, the subject matter covered by the suit patent shall not be entitled to any protection'* which, by necessary corollary, affords protection for the entire term of the patent. It makes no distinction between a new or a concluding patent, and therefore it cannot be said that a patent has lose its sheen its nearing the end of its term. Hence, if a patentee approaches for enforcement of its rights any time during the term of an subsisting patent, irrespective of the length of balance period, it would be the duty of the Court to enforce the same, giving full benefit of Sections 48 and 108 and other provisions of law, without exception.

45. On this aspect, Mr. Saikrishna had relied upon the judgment in ***Roche v. Cipla*** (*supra*) and contended that since the suit patent would be expiring and would fall in the public domain on 13th March, 2022, which is approximately a month's time from today, the Plaintiff can be compensated by way of damages if the Smart Dolly is found to be infringing of the same, and therefore, today, this would not be a fit case for grant of injunction.

46. It must also be noted that in the written submissions filed by Defendants No. 1 & 2, it has also been contended that any injunction granted would have to be vacated upon lapsing of the term. Mr. Saikrishna however did not advance such a proposition. Mr. Lall, on the other hand, emphasized that the Plaintiff is entitled to full protection, not withstanding immediate expiry of the term.

47. In the opinion of the court, if infringement has occurred during the lifetime of the patent, the infringing goods would not become kosher on expiry of the patent. Plaintiff would be entitled to seek restrain on Smart

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

Dollies which were made or imported at a time when the suit patent was valid and subsisting. Therefore, irrespective of the fact that the patent is to expire the next month, since the Smart Dollies are *prima facie* infringing the suit patent as on the date of infringement, Plaintiff can insist on protection under Section 48 of the Act. On this aspect no case law has been cited and Mr. Lall has contended that there is no precedent of an Indian court on this issue. In these circumstances, he has placed reliance on judgments of USA and UK to argue that infringing articles made during the term of patent would continue to be restrained, even after expiry of the patent term.

48. Let's examine some of the said decisions. In ***Clark v Wooster***, *(supra)* it was held that merely due to expiry of a patent, the cause of action and the jurisdiction of the court, do not cease. Relevant portion thereof is reproduced below:

> *"As to the first point, the bill does not show any special ground for equitable relief, except the prayer for an injunction. To this the complainant was entitled, even for the short time the patent had to run, unless the court had deemed it improper to grant it. If, by the course of the court, no injunction could have been obtained in that time, the bill could very properly have been dismissed, and ought to have been. But by the rules of the court in which the suit was brought only four days' notice of application for an injunction was required. Whether one was applied for does not appear. But the court had jurisdiction of the case, and could retain the bill, if, in its discretion, it saw fit to do so, which it did. It might have dismissed the bill, if it had deemed it inexpedient to grant an injunction; but that was a matter in its own sound discretion, and with that discretion it is not our province to interfere, unless it was exercised in a manner clearly illegal. We see no illegality in the manner of its exercise in this case. The jurisdiction had attached; and although, after- it attached, the principal ground for issuing an injunction may have ceased to exist by the expiration of the patent, yet there might be other grounds for the writ arising from the possession by the defendants of folding guides illegally made or procured whilst the patent was in force. The general allegations of the bill were sufficiently comprehensive to meet such a case. But even, without that, if the case was one for equitable relief when the 'suit was*

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

instituted, the mere fact that the ground for' such relief expired by the expiration of the patent, would not take away the jurisdiction, and preclude the court from proceeding to grant the incidental relief which belongs to cases of that sort. This has 'often been done in patent causes, and a large number of cases may be cited to that effect ; and there is nothing in the decision in Root v. Railway Co., 105 U. S. 189, to the contrary. Cotton Tie Co. v. Simmons, 106 U. S. 89 ; Lake Shore, &c., Railway v. Car-Brake Co., 110 U. S. 229 ; Consolidated Valve Co. v. Crosby Valve Co., 113 U. S. 157 ;"

49. In ***Fulton v. Bishop*** (*supra*), the Circuit Court of Appeals, Sixth Circuit, noted as follows:

> *"At the time of the decree below, the patent had a relatively short time to run. It now has only six months. Defendant contends that this extension of the injunction, so as to forbid sales after the patent expires, of articles made before that time, extends the term of the patent, and is not to be permitted.*
>
> *The precise point does not seem to have been determined; but it is fairly well settled that the patent upon an article will be enforced by forbidding sales, after the patent upon an article will be enforced by forbidding sales, after the patent expires, of infringing articles made before the expiration. The leading case is Crossley v. Darby Co., 4 Law Journal (N.S.) Chancery 25. Lord Chancellor Lyndhurst said, - though doubtless obiter: "I am of opinion that the court would interfere, after a patent had expired, to restrain the sale of articles manufactured previous to its expiration in infringement of a patent right, and that a party would not be allowed to prepare for the expiration of a patent by illegally manufacturing articles, and immediately after tis expiration to deluge the markets with the products of his piracy, thus reaping the reward of his improbous labor in making it. The court would, I say, in such case restrain him from selling them, even after the expiration of the patent."*

50. This court has also examined the decision of the England and Wales Patents County Court in ***Merck Canada v. Sigma***, where the court therein deemed it fit to award an injunction in favour of Merck against infringing goods which continued after expiry of the patent, but during the subsistence of Supplementary Protection Certificates (SPC) which was due to expire in

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

11 months. The court ordered for delivery up of Sigma's infringing goods as well.

51. Further, Mr. Lall also pointed out that the US Court of Appeals for the Federal Court, in ***Roche v. Bolar***,[22] had held that even use of a patented technology for obtaining regulatory approval prior to the expiry of the patent term, in order to enable immediate manufacture and sale after expiry of patent protection, constituted an infringement after expiry of the patent, and the patentee was entitled to an appropriate remedy. Post the outcome of this case, a statutory exception for the same was carved out in the USA under the Hatch-Waxman Act which was passed to overturn this verdict. It established what is now known as the Bolar Exemption, i.e., an exception for research upon patented products for regulatory approval prior to expiry of a patent. In India, Section 107A(a) carves out the Bolar Exemption on use of the patent during its term for research/ regulatory approvals. But for this provision, even obtaining regulatory approval to enable launch of a generic product in the market, immediately after expiry of the patent, would not be permissible.[23] This, too, suggests that the pirated/ infringing goods would remain infringing, after the expiry.

52. Therefore, on a *prima facie* basis, this court is in agreement with the views expressed by the foreign courts, which suggest that any product which is infringing, during the term of the patent, would continue to be tainted. The infringement cannot get dissolved with the lapse of the patent. Undoubtedly, the monopoly of the patentee would stand extinguished with the expiry of the

[22] *Roche v Bolar*, LEXSEE 733 F2D 858 (@ Pg. 3, Pg. 4).
[23] *Bayer v. UOI* (2009 SCC OnLine Del 2469 @ para 17, 18).

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

term, but the infringement that has occurred during the lifetime of the patent would not fade away. Hence the use of the Smart Dollies, imported during the term of a subsisting patent, in violation of the patentee's exclusive rights, have to be restrained.

Whether Defendants are entitled to protection under Section 107A(b) of the Act?

53. This defense has been primarily raised by Defendants No. 1 & 2. Defendant No. 4 has also sought to rely on the aforenoted provision; however, its stand is divergent and nuanced as explained later.

54. That said, before expressing an opinion on Defendants No. 1 & 2's contention, the factual context for invocation of Section 107A(b) of the Act should be noted. The Defendants claim that the Smart Dollies are imported from Nanjing, which is the patentee of the technology found in the product. The details of the patented invention are disclosed to be - 'intelligent garage handling robot' having application no. ZL 2012 1 0057015.2 granted on 18th June, 2014 with the expiry date of 18th June, 2034. It is argued that the patent in favour of the Nanjing shows independent Claim No. 1 in the patent granted to it, as the process of 'automatically controlled unmanned fully hydraulic driven garage vehicle handling robot belonging to technical field of intelligent garage', which is materially different from Claim No. 1 of the suit patent. On this aspect, Mr. Lall too has submitted that the Chinese patent is vastly different from the suit patent, and perhaps, subject to expert examination, is not a patent for a dolly at all, and is being used simpliciter as a red herring to misguide this Court.

55. Defendants No. 1 and 2 contend that since the Smart Dollies are

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

patented by Nanjing in China, which is duly authorized under law to produce and sell the said product, it does not constitute infringement under Section 107A(b) of the Act. Section 107A reads as follows:

> *"107A - Certain acts not to be considered as infringement.*
> *For the purposes of this Act,*
> *(a) any act of making, constructing, using, selling or importing a patented invention solely for uses reasonably related to the development and submission of information required under any law for the time being in force, in India, or in a country other than India, that regulates the manufacture, construction, use, sale or import of any product;*
> *(b) importation of patented products by any person from a person who is duly authorised under the law to produce and sell or distribute the product, shall not be considered as a infringement of patent rights."*

56. It is also urged that importation is a valid case of parallel export, recognized by the statute, to ensure availability of patented goods/ products at reasonable prices. The provision has been introduced to effectively dispense with the requirement of importing from a person who is duly authorized by the patentee. The import can now be made from any person who is duly authorized under law to produce or sell the product. To support this argument, reliance has been placed upon Article 30 of the TRIPS Agreement providing a 'safe harbour' for certain activities, which may otherwise offend patent rights, which reads as under:

> "*Article 30 - Exceptions to Rights Conferred.*
>
> *Members may provide limited exceptions to exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties*".

57. Additionally, it has been submitted that pursuant to India joining the TRIPS Agreement, the Act was amended to *inter alia* introduce an exception to the rights conferred by a patent. The safe harbour exception was first

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

contemplated under Clause 51 of the Patents (Second Amendment) Bill, 1999, which provided for introduction of Section 107A in the Act. Section 107A(b) of the Act was amended in 2005. In the pre-amended provision, the exemption was available only to imports made from a person authorized by a patentee. However, after amendment, the scope of the provision has been expanded to also include imports from a person who was duly authorized under the law to produce, sale or distribute the products.

58. Mr. Saikrishna averred to Sections 19(6) read with 33 of the Copyright Act, 1957, to submit that the Indian copyright regime also considers parallel import. Section 19(6) allows a copyright holder to reserve copyright to only Indian territory. He also relied on judgments of this court where parallel imports were considered in trademarks as well.[24] Having said that, he very fairly submitted that parallel import is not hit in the instant case.

59. Mr. Chander Lall joined Mr. Saikrishna on the non-applicability of Section 107A(b) of the Act.

60. There is no Indian case law directly on this aspect cited by any of the parties, although, reliance has been placed upon a decision of this court in Strix Limited v. Maharaja Appliances Ltd.,[25] by Mr. Malhotra, which was rendered in an application for temporary injunction. The Defendant, in the said case, while defending the suit for infringement of a registered patent, contended that the impugned products were imported from a Chinese supplier, which held a valid Chinese patent, and sought refuge under the provisions of Section 107A(b) of the Act. The Court, did not dwell into the question of

[24] ***Kapil Wadhwa v Samsung Electronics,*** 2013 (53) PTC 112 (Del).
[25] 2009 SCC OnLine Del 2825.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

applicability of the said provision, since the Defendant was unable to produce the patent of its product. Instead, the Court granted interim protection to the Plaintiff on the basis of its registered patent. Thus, this case differs on facts, and cannot be relied upon by either party here as a precedent for understanding the scope of Section 107A(b) of the Act.

61. The interpretation of Section 107A(b) has been completely misconstrued by Mr. Malhotra. No doubt, the said provision underwent an amendment in 2005 and the words "*who is duly authorized by the patentee to sell or distribute the product*", were replaced by the words "*who is duly authorized under the law to produce and sell or distribute the product*", however, the amendment does not mean that as long the imported product is patented - in any jurisdiction - it would fall within the ambit of Section 107A(b) of the Act.

62. Section 107A(b) used the phrase 'patented products'. The said term is not specifically defined under the Act, and in the statute, we find the term '*patented article*' under Section 2(1)(o) which defines it as an article "*in respect of which a patent is in force*". Section 2(1)(m), defines '*patent'* to mean "*a patent for any invention granted under this Act*". Further, Section 2(1)(j) defines '*invention'* as a "*new product or process involving an inventive step and capable of industrial application*". Thus, the term '*patented product*' found in Section 107A(b) has to be understood with reference to '*patented article'* read with definition of '*patent'* and '*invention'* as per Section 2 (1)(o), (m), and (j) respectively. On a cumulative reading of the aforesaid definitions, it means that patented products covered under Section 107A(b) would include only those products which are patented under the Indian Patents regime.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

Further, it is a settled proposition of law that a patent protection granted in one country is valid only within its borders, in light of the principle that all forms of intellectual rights are inherently territorial in nature. This, leads to the conclusion that unless otherwise mandated by law, a Chinese patent will not be recognized and protected in India, and the State will not permit the importation of any product which violates an Indian patent, even if it is patented in any other jurisdiction.

63. In the case in hand, Nanjing does not have any authorization to sell the Silomat Dollies in China or anywhere in the world, including India. Nanjing is not selling/ re-selling/ distributing Silomat Dollies in China. Therefore, the products sold by Nanjing will not fall under the definition of '*patented products*' or '*patented articles*' as defined under the Act. The act of importing goods which are not authorized will be an infringement under the Act.

64. The rights of the patentee under Section 48 of the Act, includes the exclusive right to prevent third parties who do not have his consent from the act of making, using, offering for sale, selling or from importing a product in India. Section 107A(b) of the Act grants protection for importation of patented products, however the purport of such a provision is not to give a blanket protection to parallel import, as canvassed by Mr. Malhotra. The provision cannot be construed to mean that the importation of products manufactured by a person who is not authorized by a patentee, is now permissible. Such a construction would render the Indian patent nugatory and cannot possibly be the intent of the law. The 'patented product' so imported to India, which would fall within the ambit of Section 107A(b) of the Act, can only be construed to mean such products which are manufactured with the

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

authority of the patentee or by way of a compulsory license granted under law. An interpretation which negates the rights of an Indian patentee under the Act, cannot be the intent of the provision, and any interpretation to that effect which violates the rights of the Indian patentee, is impermissible. The 2005 amendment widens the statute, as undoubtedly the legislature has consciously replaced the expression "*duly authorized under the law to produce and sell or distribute the product*". However, the width of expansion is not what is canvassed by Mr. Malhotra. The words '*duly authorized under the law to produce and sell or distribute the product*' which replace the previous expression noted above, has to be understood by reading the entire provision, consistent with the rest of the statute. It could apply to importation of the Indian patented product, manufactured under a compulsorily license in the country of origin. Such entity would be 'duly authorized under the law to produce and sell or distribute the product' as provided under of Section 107A(b).

65. Pertinently, the reference to law, in the provision, undoubtedly, has to be to the Indian law. The construction given by Defendants No. 1 & 2 that '*duly authorized under law*', is to be widely interpreted to include foreign law, would clearly defeat the rights of an Indian patentee, if importation of the product patented under foreign law is allowed to escape the rigors of the Act, by importing the it from any foreign country where it has been authorized by the law in that country where the product is produced and sold. Therefore, the act of importing goods which are not authorized by the patentee will be an infringement under the Act, if it otherwise meets the criteria required by a law for infringement of patent rights. Therefore, in the opinion of the court, the

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

foreign patent cited by Defendant No. 1 in the name of the third party, cannot be treated to be '*duly authorized under law*'.

66. It must also be noted that if the Defendants' argument is accepted, it would mean that any party would be permitted to manufacture a product in any foreign country, that infringes an Indian patent, and then be allowed to import the same into India and avoid infringement under the garb of Section 107A(b) of the Act, which is unacceptable.

67. The placement of Section 107A(b) in the scheme of the Act is also a telling sign as to the intent of the legislature. Sub-Section (a) – which allows research exemption – gives colour to the entire Section within the ambit of which sub-section (b) has to be read, as well. The intent of Section 107A as a whole, necessarily implies that exemptions to patent protection under this provision are for the greater public interest at large. However, the Defendants have not canvassed this case before the court at all. Besides, the language of the afore-noted provision, when contrasted with Section 30(3) of the Trademarks Act, 1999, makes it clear that the doctrine of international exhaustion, as found in the Trademarks Act, is not intended to be incorporated under the Patents Act. The expression "lawfully acquired" under the Trademarks Act is starkly different than what is found in Section 107A(b). Therefore, it would not be correct to argue that the aforesaid provision allows parallel imports as contended by Defendants No. 1 & 2.

68. Now coming to the contention of Mr. Saikrishna who has candidly differed with Mr. Malhotra on the concept of parallel imports and has very fairly stated that importation of the Smart Dollies does not amount to parallel imports envisaged under the statute. He has stressed on the fact that the

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

Plaintiff has not taken any action against the Chinese entity which has the patent for the Smart Dollies. In the opinion of the Court, this aspect would make no difference. The right of the Plaintiff is found to be infringing by the Defendants arrayed in the present suit and therefore presence of Nanjing in the array of parties is not necessary. In fact, the Plaintiff itself does not find Nanjing's patent to be in conflict. Further, importing a product that infringes an existing patent is liable to be proceeded against under Section 48 of the Act, and therefore, it is immaterial whether the foreign patent holder has been impleaded or not.

69. At this juncture it must also be noted that although Defendants No. 1 and 2 relied upon the Chinese patent and argued that the Smart Dollies is a product duly patented under Chinese law, however, this contention has not been supported by any material. Apart from making a reference to certain Court decisions in China, which too have been filed in Chinese language, the Defendants have not made any attempt to map their product to the Chinese patent. On this issue, the Court had taken note of the fact that the Plaintiff also has a patent in China, and queried as to how the two patents, i.e., the suit patent and the patent of Nanjing are co-existing in China – and whether that could indicate that the Smart Dollies are a different invention that the suit patent. Mr. Lall has pointed out that the Chinese patent and suit patent are entirely different and that the Defendants have made no attempt to demonstrate that their product conforms to the Chinese patent. This is indeed curious and conspicuous. The mainstay of the stand of Mr. Malhotra has been the Chinese patent, yet he has made no effort to map the infringing product to the same. Once the experts found the claim 1 elements in Smart Dollies, the

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

onus of prove shifted on to the Defendants and it was absolutely essential for them to demonstrate that indeed the Smart Dollies was the subject matter of the Nanjing patent. No such attempt has been made in that regard whatsoever. It must also be noted that the Defendants, in their written statement, while responding to the allegations of infringement, do make a comparison between the Silomat Dollies and the Smart Dollies, by comparing certain features, but, do not map the claims. The claim mapping evidence came before the Court only pursuant to the opinion of the Scientific Advisors, which clearly found an overlap in the two products. Thus, the Chinese patent relied upon by the Defendant, does not in any manner give them protection under Section 107A(b) of the Act or bring out the defense of non-infringement on the ground of being a different invention.

W*hether award of damages would be an adequate remedy*

70. The Defendants have argued that, in case the Plaintiff were to succeed at the end of the trial, they would be entitled to grant of damages, therefore, the injunction should not be granted. Mr. Saikrishna stressed that since the suit patent was expiring in the near future, the Plaintiff can always be compensated by way of damages as claimed in the suit and therefore the injunction may not be granted. In support of this contention, he relied upon para no. 183 of the judgement in ***Roche v. Cipla*** *(supra)*, which reads as under:

> *"183. To conclude, affirming the impugned judgment and decree dated September 07, 2012 passed by the learned Single Judge in so far counter claim filed by Cipla seeking revocation of IN '577 in favour of Roche has been dismissed, we set aside the impugned decision dismissing suit for injunction filed by Roche. But keeping in view the fact that the life of the patent in favour of Roche in India would expire in March, 2016 we do not grant the injunction as prayed for by Roche against Cipla (because as noted above there was no interim*

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

injunction in favour of Roche and due to said reason Cipla continued to manufacture and sell Erlocip). We decree that Cipla would be liable to render accounts concerning manufacture and sale of Erlocip, for which purpose suit filed by Roche against Cipla is restored with direction that it be listed before the learned Joint Registrar who would record evidence pertaining to the profits made by Cipla concerning the offending product."

71. In the opinion of the Court, the aforenoted direction was primarily because the Court noticed that there was no interim injunction in favour of the appellant therein. Regardless, to accept the proposition of Mr. Saikrishna or Mr. Malhotra that since award of damages is an adequate remedy, injunction should be refused, is not a correct approach. Accepting such a proposition would defeat the monopoly rights of the patentee which entitle it to prevent third-parties from importing an infringing product. Since the court *prima facie* finds infringement, defendant cannot be allowed to continue to exploit the registered patent. The remedy of injunction in a suit for infringement is provided under the Section 108 of the Act, which includes the relief of injunction. The statutory rights of the patentee cannot be defeated, just because the Plaintiff may be entitled to damages at the end of trial. It also appears that there is a huge difference in the value of the two products. Each of the Silomat Dollies is stated to be priced at Rs 1.06 crores, whereas the cumulative value of the 14 products of the Smart Dollies is stated to be USD 4,51,206/- which is approx. Rs. 3.37 crores. On this issue, the Court had probed to find out if the Plaintiff licenses the technology. From submissions advanced by Mr. Lall, it transpired that the Plaintiff is the exclusive licensee of the suit patent from Sotefin Patens SA, to manufacture dollies on the basis of the suit patent in India.

72. The test for grant of injunction remains the same, which is followed in

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34

all suits for injunction i.e establishment of the three essential ingredients viz., *prima facie* case, balance of convenience and irreparable loss. As noted, and discussed above, there being no challenge to the validity of the patent, the Plaintiff was only required to establish a *prima facie* case of infringement to satisfy the Court that the claims made are not frivolous. The Plaintiff has demonstrated a plausible prospect of succeeding at trial in the present suit. Hence, a strong *prima facie* case indeed exists. The balance of convenience lies in favour of the Plaintiff. The fact that the damages can be awarded at a final stage, is not an absolute bar for the Court to deny an injunction. [*See*: ***Willowood Chemicals Pvt. Ltd v Indo-Swiss Chemicals Ltd***.[26]]. The facts noted above demonstrate that risk taken by the Defendants was a calculated one. They were aware of the Plaintiff's suit patent, yet they proceeded to import the Smart Dollies. The Defendants No. 1 and 2 may have a sound financial stand and ability to make the payment of damages at a later stage, however, an infringing product is liable to be injuncted and irreparable loss would be caused if the same is refused.

73. In light of the above, the application is allowed and the Defendants are restrained from making, selling, exporting or from offering for sale, importing or in any manner directly or indirectly dealing with infringing products *viz*. Smart Dollies/ Automatic parking system that infringes the suit patent IN – 214088, till the pendency of the present suit.

SANJEEV NARULA, J

FEBRUARY 17, 2022
d.negi

[26] (2021) 87 PTC 209.

Signature Not Verified
Digitally Signed
By:AKANSHA SINGH
Signing Date:17.02.2022
17:26:34