

Bilcare Limited vs Amartara Private Limited on 20 March, 2007

Equivalent citations: MIPR2007(2)42

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JUDGMENT

Sanjay Kishan Kaul, J.

Page 0893 IA No. 10848/2006 (Under Order 39 Rules 1 & 2 of CPC BY THE PLAINTIFF) IA No. 11160/2006 (Under Order 39 Rule 4 of CPC BY THE DEFENDANT) IA No. 13971/2006 (Under Order 39 Rule 2A of CPC BY THE PLAINTIFF)

1. The claim of the plaintiff of patent violation by the defendant in respect of metallized packaging film patent of the plaintiff has given rise to the present litigation.

2. The plaintiff is a registered proprietor of the patent bearing No. 197823 in respect of the said metallized packaging films in pursuance to a patent granted on 12.04.2006 as per an application of the plaintiff dated 03.03.2004. The patent comprises of 21 claims of which there is a parent claim and there are twenty dependent claims depending directly or indirectly on the parent claim. The description of the invention as per the parent claim is as under:

a multilayer, thermoformable, translucent food and pharmaceutical packaging film consisting of a core layer of 100-1000 microns thickness of food grade polyvinyl chloride (PVC), devoid of plasticizers having vinyl monomer less than 1 ppm and a global migration of additives less than 60 ppm, and a metallized layer of thickness 0.02- 2 microns provided at least on one side of the said core layer and at least 0-250 microns thick food and pharmaceutical grade polymeric layer provided at least on one side of the core layer.

3. The essentials of the claim are stated to be a film which has a core PVC layer, a metallized layer and the third polymeric layer ranging from 0-250 microns. The film is thermoformable and translucent. The invention Page 0894 is stated to be well suited for the food and pharmaceutical industry as it protects the same. The plaintiff is supplying this film for packing of medicines.

4. The plaintiff has also obtained a patent in the USA bearing No. 7144619 in respect of the said invention which was granted on 15.12.2006. The parent claim reads as under:

A multi-layer thermoformable, translucent pharmaceutical and food packaging film consisting of a core layer of 100 to 1000 microns thickness of food grade polyvinyl chloride [PVC], devoid of plasticizers having vinyl monomer less than 1 ppm and a global migration of additives less than 60 ppm; and a metallized layer of thickness 0.02 to 2 microns provided at least on one side of the said core layer and at least one to 250 microns thick food and pharmaceutical grade polymeric layer provided at least on one side of the core layer.

5. The difference between the two patent claims as granted in India and in the USA is stated to be the thickness of the polymeric layer which in India is specified as between 0-250 microns while in the USA it is specified as 1-250 microns.

6. The plaintiff claims that the defendant has infringed its patent by supplying identical film to pharmaceutical industry infringing its patent. Hence, the suit for permanent injunction for restraining such infringement, rendition of accounts and consequential reliefs. The plaintiff was granted ad interim ex parte order on 01.08.2006. The defendant has contested the claim of the plaintiff by filing a written statement and also a counter claim. The defendant has also moved an application seeking vacation of stay.

7. Learned Counsel for the plaintiff has constructed the edifice of his submissions on the invention made which resulted in the registration of the patent. In order to substantiate this plea, the essential ingredients for successful use of metallized packaging film were set out. This is so since it is not in dispute that metallized packaging films were already existing but the ingenuity of the patent was in the manufacture of the particular variety of the metallized packaging film. These ingredients are as under:

- i) The metal should not go into the food or drug;
- ii) The moisture should also not get into the food or drug;
- iii) The cost should not be exorbitant;
- iv) During the manufacture and handling of the medicinal capsules, the same should not get crushed;
- v) If there is something wrong in the manufacturing process, it should be easy to identify and spot the same; and
- vi) There should be curbing of counterfeit and piracy of the medicines.

8. The attention of the Court was drawn to the various samples of packaging filed to show as to how the plaintiff ultimately arrived at the particular packaging film. The methodology of bottling of medicines was found to be expensive. The initial packaging used to be in the form of paper packaging. This suffered from three defects in terms of aforesaid six parameters. The defects are:

i) No visibility;

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ii) Moisture could pass through such packaging;

iii) There was no shield from the pressure resulting in damage to the tablets or capsules.

The aforesaid defects resulted in development of a metal opaque non blister film. This again was found not to meet the six parameters laid aforesaid since there was no prevention of metal going into the food or the drug, absence of visibility, absence of pressure shield against pressure apart from being expensive. The third such film which came to be utilized by the industry was metal opaque blister film. This remedied most of the defects, but did not prevent the metal from going into the food or drug. Apart from this, the film was flexible and when pressed would not regain its shape. Thus it provided only a part shield against damage to the medicine. Visibility was again absent.

9. The next step in this direction was the utilization of a transparent blister film which provided for visibility and shield from pressure, but there was low or no moisture barrier apart from being expensive.

10. The last development was a translucent metallized blister film which is stated to meet all six parameters. It must be set out here for understanding the invention that it is not the aluminum strip which is at the base of the medicinal strip, which is the invention, but the film on the top which is translucent and through which the medicine can be seen. This acted as a barrier against moisture, unlike in the previous film, apart from being cheaper. Since the film is thermoformable so there is also shield against pressure. The thickness of the metal film is such that the metal content cannot migrate to the capsule. Since this film fulfilled all the criteria and was stated to be an invention, it is this film of which patent has been registered.

11. It has already been stated hereinabove that the patent was granted to the plaintiff on 12.04.2006. The defendant filed the post grant opposition on 04.09.2006 under Section 25(2) of the Patent Act, 1970 ('the Patent Act' for short).

12. The defendant claims invalidity of the patent on the ground that there is no novelty in the same and such a film already existed in the market. This is apart from the plea that the plaintiff failed to disclose that it was not manufacturing the product itself, but sourcing the same from Nan Ya Plastics Corporation in Taiwan which was also the source from which the defendant had procured the material. It is the case of the defendant that the plaintiff had itself released the product in the market even prior to the patent application. Not only that there were other companies manufacturing similar products. In support of this, the defendant has filed various documents.

13. Learned Counsel for the plaintiff sought to deal with the plea of existence of a similar film by referring to the annexures filed to the counter claim and pointing out the differences with the packaging film in question in respect of which the plaintiff has patent.

Mosaicing:

14. One such document is Ex 'C' to the written statement/counter claim which is a patent specification application in respect of 'vapour barrier and insulation material'. Learned Counsel for the plaintiff sought to highlight Page 0896 the material difference from the patent film in question. Learned Counsel contended that the patent relates to insulation material which is different from pharmaceutical and food industry. The product is a material and not a film. It may be PVC but is not thermoformable and thus the visibility requirement specific to the drug industry was not met and the thickness of the metal used is really the heart of the patent granted to the plaintiff. Similarly, Ex 'D' is a patent in respect of 'vacuum plating a non-polar polyolefin with metal' with PVC on either side and so was alleged to be a different concept. No doubt this was used for packaging of foodstuffs, but was not thermoformable and did not have the transparency in view of the metal as a sandwich.

15. Exhibit 'F' is a United States patent for 'packaging material for photo sensitive material'. Learned Counsel for the plaintiff referred to the field of the invention to contend that the packaging material was for photosensitive materials for photographic purposes and was opaque.

16. Learned Counsel submitted that patent has been granted to the plaintiff in the United States in respect of the same invention. It was further submitted that the US patent office applies the most stringent standards and since most of the documents cited by the defendant are in respect of various US patents, these would have been considered in granting the patent to the plaintiff.

17. Learned Counsel further referred to the EC Council directive dated 30.01.1978 (Ex. A) on "the approximation of the laws of member states relating to materials and articles which contain vinyl chloride monomer and are intended to come into contact with foodstuffs". Learned Counsel submitted that the said directive specifies a detection limit of 0.01mg/kg, and contended that this merely constitutes a health standard. The EC Council Directive dated 06.08.2002 (Ex. B) relates to "plastic materials and articles intended to come into contact with food stuffs". Learned Counsel referred to Article 2 of the said directive which specifies that plastic materials and articles are not to transfer their constituents to foodstuffs in quantities exceeding 10 mg per square decimeter of surface area of material or article. Article 7 of the directive refers to specific migration limits and states that the same are to be expressed in mg/dm² in certain cases. It was thus contended that the documents do not refer to the pharmaceutical or the drug industry. It was submitted that the said directives only prescribe health/safety standards.

18. Learned Counsel for the plaintiff contended that the defendant has failed to place on record a single document that contains any teaching on the combination of integers, or on the individual components such as thickness of the metallized layer to achieve translucency.

19. Learned Counsel for the plaintiff had strong objections to the endeavor of the defendant to object to the patent of the plaintiff by referring to different components of the claim being obvious and not by reference to the patent as a whole through the methodology of mosaicing.

20. It was thus submitted that one cannot create a mosaic of individual documents or prior use to defeat the claim of patent of the plaintiff. Page 0897 To substantiate his plea, learned Counsel referred to the commentary of Terrel on Law of Patents (16th Edition) where in para 7-62 at page 250 it is observed as under:

MOSAICING The mosaicing of individual documents or prior uses is not permissible, unless it can be shown that the skilled person, confronted with a particular citation, would turn to some other citation to supplement the information from the first. Whether he would do so is a question of fact. Lord Reid said in *Technograph v. Mills and Rockley* [1972] R.P.C 346 at page 355:

When dealing with obviousness, unlike novelty, it is permissible to make a 'mosaic' out of the relevant documents, but it must be a mosaic which can be put together by an unimaginative man with no inventive capacity'.

21. The submission of the learned Counsel for the petitioner was that for the grant of a patent, an invention must be new, useful and non obvious and the validity of a patent cannot be questioned on the ground that it is a combination of prior existing things.

22. In this behalf learned Counsel for the plaintiff referred to the judgment of the House of Lords in *Martin and Biro Swan Ltd. v. H Hilwood Ltd.* 1956 RPC 125 wherein it was observed that to establish anticipation it must be shown that in some prior publication there is to be found information about the alleged invention, equal for the purposes of practical utility to that given by the patent in the suit. It is not enough, to use that familiar metaphor which has perhaps been run to death, to make a mosaic of prior publications and to say that thus, the whole invention has been already disclosed. This is particularly the case where the invention is said to consist of a novel combination, or as is sometimes said a new functional inter relation of integers.

23. Learned Counsel further referred to the judgment of a division bench of this Court in *Raj Prakash v. Mangat Ram Choudhary and Ors.* AIR 1978 Del 1, to contend that a new invention may consist of a new combination of all integers so as to produce a new or important result or may consist of altogether new integers. The claim for anticipation has to be by prior user or by prior publication. The court referred to the observation in *Martin and Biro Swan Ltd. v. H Hilwood Ltd.* supra that it is not enough to make a mosaic of prior publications and say that thus the whole invention has already been disclosed.

24. Learned Counsel placed reliance on the judgment of the House of Lords in *Technograph Printed Circuits Limited v. Mills and Rockley (Electronics) Ltd* [1972] RPC 346, in which it was found that the question of novelty or anticipation was raised but there is no single prior document which can be regarded as an anticipation of the invention (in question). In this case, the decision in *British Westinghouse Electric & Manufacturing Co. Ltd. v. Braulic* (1919) 27 RPC 209 was referred to. In the said judgment it was observed as under:

I confess that I view with suspicion arguments to the effect that a new combination, bringing with it new and important consequences in the Page 0898 shape of practical machines, is not an invention, because, when it has once been established, it is easy to show how it might be arrived at starting from something known, and taking a series of apparently easy steps. This ex post facto analysis of invention is unfair to inventors and, in my opinion, is not countenanced by English patent law.

25. Learned Counsel contended that an invention would not be new if all the elements of the invention are contained in a prior publication. It is not permissible that if different elements of the invention are contained in different documents i.e. there is mosaicing, it can be said that there is no new invention.

26. Learned senior counsel for the defendant on the other hand resisted the plea that the defendant is indulging in Mosaicing to defeat the patent of the plaintiff. Learned senior counsel emphasized that there was no element of invention in the product of the plaintiff which was well known to the market. The product in question is a metallized PVC film which was already well known to the market. Learned senior counsel showed a sample of PVC as also the coloured versions thereof. The rigid PVC film was also shown apart from the metallized PVC film.

27. Learned senior counsel contended that thermoforming is a feature/quality of PVC itself and that metallized PVC film is a product that has been well known for a number of years and has been used for years in the packaging of food and medicines. In support of his contention, learned senior counsel drew the attention to certain samples of packaging materials for food and medicines as well as certain decoration material stated to be made from metallized PVC.

28. Learned senior counsel for the defendant drew the attention of this Court to the "Input Output Norms (Duty Exemption Scheme, 2000 Ed.)" wherein metallised PVC Film finds mention. Learned senior counsel thus submitted that even in statutory norms of the year 2000, metallised PVC films are mentioned and were thus known.

29. In a book entitled "Metallic Coating of Plastics" (William Goldie Vol. 1, ElectroChemical Publications, 1968), where, in chapter 2, some of the advantages of depositing metals on plastics have been enumerated, one of the advantages specifically mentioned is the moisture barrier which is created as a result of metallisation. The said book also contains a chapter on vacuum evaporation as a method for metallization. There are also a number of references to PVC in several chapters in the book.

30. A book on "Pharmaceutical Packaging Technology" (D.A Dean, E.R. Evans and I.H. Hall (Eds), 2006 [first published in 2000] Taylor and Francis), notes that coatings are an alternative means of adding properties which are not present in the base material such as improved barrier, heat or cold sealing, improved appearance, adhesion etc. The types of coating processes referred to include vacuum metallisation. The book also notes that vacuumised treatment such as metallization is used to deposit a coating of aluminum onto the surface of films which gives foil type appearance, reflects light and heat and reducing moisture and gas permeation.

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31. In the "Metallized Papers and Films World Source Book, 2004" (December 2004), it has been noted as under:

There now appears stability in the use of metallised PVC, with key applications in thermoforming in confectionary and twist wrap applications. In addition, major end users and leading retailers are accepting the use of PVC in packaging ...

Uses of metallized PVC are centered on decorative applications, thermoformed food packaging, and confectionary packaging. In the thicker film gauges, approximately 80 per cent of the volumes are used in food packaging, the majority as mono films....

32. Further, the list of raw material abbreviations includes PVC and the list of Asia-Pacific Metallising companies includes Nan Ya in Taiwan which is the company from which both the plaintiff and defendant are stated to be importing the metallised film in question. Furthermore, it was pointed out that the list of Indian metallising companies include Metalon India whose letter has been referred to by learned senior counsel wherein it claimed to have been metallising plastics since 1984. The book also notes that large volumes of PVC are metallised in materials integrated operations and that metallised PVC which is a traditional metallized material has fallen out of favor in European and Japanese markets due to environmental concerns but the material is finding new uses in battery labeling in mainland Chinese markets and in thermoformed packaging formats in Europe and elsewhere for meats and confectionery and is widely used for decorations and for seasonal confectionery packaging.

33. Learned senior counsel referred to US Patent no 5,624,036 in respect of 'blister pack without additional outer packaging' for pharmaceuticals. The abstract of the said patent reads as under:

Blister pack without additional outer packaging for pharmaceuticals, having a base with a plurality of recesses that are surrounded by a shoulder and a lid foil attached to the shoulder, where removable contents are accommodated in the recesses and can be removed there from by pressing in the recess in question and penetrating the lid foil or by removing the lid foil over the recess, and having an accompanying leaflet. The accompanying leaflet represents part of the blister pack and is situated within the confines of the blister pack, for example in a compartment in the base or in a gripping facility on one side of the blister pack.

34. The detailed description of preferred embodiments for the said patent specifically mentions that suitable plastics for bases of the blister packs include films and film laminates containing PVC and that the bases may also feature a barrier layer against gases and vapours. Such barrier layers could be a metal foil such as aluminum foil embedded in a plastic laminate or usefully, ceramic layers or metallic layers embedded between two plastic layers. The ceramic layers may be produced for e.g. by evaporating metals, oxides or nitrides of aluminum, silicon and other metals and semi-metals in vacuum and depositing the substances on a plastic substrate. Learned Page 0900 senior counsel

thus submits that the said invention also contemplates three layers.

35. A book on "Central Excise Tariff on India 1988-89" mentions plates, sheets, film, foil and strip of plastics metallised, lacquered or laminated.

36. Learned senior counsel pointed out the brochure of Nan Ya Plastics Corporation of the year 1998. The brochure contains information of the products of Nan Ya Plastics Corporation. One of the products in the said brochure is "Rigid PVC films for metallising". The product is described as a metal coated film by steaming which goes through a special colour printing in different metallic lusters and is stated to be suitable for making all types of Christmas ribbons, sequins for apparel. It is also stated that after vacuum forming the material can be used as packaging material for all types of high-class giftware and food stuffs.

37. Learned senior counsel for the defendant referred to the "Wiley Encyclopedia of Packaging Technology" of the year 1997. The said encyclopedia on p. 629 contains information on metallising, vacuum. It is stated that vacuum metallising, which is a physical vapour deposition process, produces coatings by thermal evaporation of metals under conditions that permit and enhance this deposition. It is a process for the manufacture of a great variety of products including a diversity of polymeric webs of interest to packaging technology. A table on present and future applications of roll coaters (p. 633) lists packaging of medicines, confectionary, rice, cigarettes, food etc. Further, at p. 771, some characteristics of PVC have been enumerated including its toughness, low cost etc and the applications of PVC listed include packaging applications such as bottles and blister packs. Further, it has been observed that the amount of residual vinyl chloride monomer that remains in the dry PVC resin is typically less than 1 ppm which level establishes safe worker levels and provides acceptable levels in the product. It is also noted that due to its ability to hold form during the thermoforming process, high resistance and excellent clarity, it has become widely used in food, medical and non-food applications and that nearly 300 million pounds of PVC plus additives applications are used in medical, food and non-food applications (p.774).

38. It is thus contended that the features of the invention in respect of which the plaintiff holds a patent have been known since long as is evidenced by the above cited material and thus the injunction is not justified.

39. In this behalf learned senior counsel referred to the judgment of the Apex Court in Bishwanath Prasad Radhey Shyam v. Hindustan Metal Industries , in support of the proposition that the fundamental principle of patent law is that a patent is granted only for an invention which must be new and useful. It is essential for the validity of a patent that it must be the inventor's own discovery as opposed to mere verification of what was already known before the date of the patent. It was also observed that if the manner of manufacture patented was publicly known, used and practiced in the country before or at the date of patent, it would negative novelty. Prior public Page 0901 knowledge can be by word of mouth or by publication through books or other media. The court noted that the grant and sealing of the patent or decision rendered by the controller in the case of opposition does not guarantee the validity of the patent which can be challenged before the High Court on various grounds in infringement or revocation proceedings. The argument of there being a presumption in

favor of the validity of the patent was not accepted. It would be useful to reproduce some of the paragraphs as under:

17. The subject of Patent Law is to encourage scientific research, new technology and industrial progress. Grant of exclusive privilege to own, use or sell the method or the product patented for a limited period, stimulates new inventions of commercial utility. The price of the grant of the monopoly is the disclosure of the invention at the Patent Office, which, after the expiry of the fixed period of the monopoly, passes into the public domain.

18. The fundamental principle of Patent Law is that a patent is granted only for an invention which must be new and useful. That is to say, it must have novelty and utility. It is essential for the validity of a patent that it must be the inventor's own discovery as opposed to mere verification of what was already known before the date of the patent.

19. "'Invention' means any manner of new manufacture and includes an improvement and an allied invention". [Section 2(8) of 1911 Act.] It is to be noted that unlike the Patents Act, 1970, the Act of 1911 does not specify the requirement of being useful in the definition of 'invention'. But Courts have always taken the view that a patentable invention, apart from being a new manufacture, must also be useful. The foundation for this judicial interpretation is to be found in the fact that Section 26(1)(f) of the 1911 Act recognises lack of utility as one of the grounds on which a patent can be revoked.

20. 'Manufacture' according to the definition of the term in Section 2(11) of the Act, includes not only "any art, process or manner of providing, preparing or making an article" but also "any article prepared or produced by the manufacture".

21. It is important to bear in mind that in order to be patentable an improvement on something known before or a combination of different matters already known, should be something more than a mere workshop improvement; and must independently satisfy the test of invention or an 'inventive step'. To be patentable the improvement or the combination must produce a new result, or a new article or a better or cheaper article than before. The combination of old, known integers may be so combined that by their working inter-relation they produce a new process or improved result. Mere collection of more than one integers or things, not involving the exercise of any inventive faculty, does not qualify for the grant of a patent. 'It is not enough', said Lord Davey in *Rickmann v. Thierry* (1896) 14 Pat Ca 105 'that the purpose is new or that there is novelty in the application, so that the article produced is in that sense new, but there must be novelty in the mode of application. By that, I understand that in adopting the old contrivance to the new purpose, there must be difficulties to be overcome, requiring what is Page 0902 called invention, or there must be some ingenuity in the mode of making adoption'. As cotton, L.J. put it in

Blackey v. Lathem (1888) 6 Pat Ca 184, "to be new in the patent sense, the novelty must show invention". In other words, in order to be patentable, the new subject-matter must involve 'invention' over what is old. Determination of this question, which in reality is a crucial test, has been one of the most difficult aspects of Patent Law, and has led to considerable conflict of judicial opinion.

22. This aspect of the law relating to patentable inventions, as prevailing in Britain, has been neatly summed up in Encyclopedia Britannica, Vol. 17, page 453. Since in India, also, the law on the subject is substantially the same, it will be profitable to extract the same hereunder:

A patent can be granted only for 'manner of new manufacture' and although an invention may be 'new' and relate to a 'manner of manufacture' it is not necessarily a 'manner of new manufacture' - it may be only a normal development of an existing manufacture. It is a necessary qualification of a craftsman that he should have the knowledge and ability to vary his methods to meet the task before him - a tailor must cut his cloth to suit the fashion of the day - and any monopoly that would interfere with the craftsman's use of his skill and knowledge would be intolerable.

A patentable invention, therefore, must involve something which is outside the probable capacity of a craftsman - which is expressed by saying it must have 'subject-matter' or involve an 'inventive step'. 'Novelty' and 'subject-matter' are obviously closely allied.... Although these issues must be pleaded separately, both are invariably raised by a defendant, and in fact, 'subject-matter' is the crucial test, for which there may well be novelty not involving an 'inventive step', it is hard to conceive how there can be an 'inventive step' without novelty.

23. Whether an alleged invention involves novelty and an 'inventive step', is a mixed question of law and fact, depending largely on the circumstances of the case. Although no absolute that is uniformly applicable in all circumstances can be devised, certain broad criteria can be indicated. Whether the "manner of manufacture" patented, was publicly known, used and practiced in the country before or at the date of the patent" If the answer to this question is 'Yes', it will negative novelty or 'subject-matter'. Prior public knowledge of the alleged invention which would disqualify the grant of a patent can be by word of mouth or by publication through books or other media. "If the public once become possessed of an invention", says Hindmarch on Patents "by any means whatsoever, no subsequent patent for it can be granted either to the true or first inventor himself or any other person' for the public cannot be deprived of the right to use the invention...the public already possessing everything that he could give.

...

32. It is noteworthy that the grant and sealing of the patent, or the decision rendered by the Controller in the case of opposition, does not guarantee the validity of the patent, which can be challenged before the Page 0903 High Court on various grounds in revocation or infringement proceedings. It is pertinent to note that this position, viz. the validity of a patent is not guaranteed by the grant, is now expressly provided in Section 13(4) of the Patents Act, 1970. In the light of this principle, Mr. Mehta's argument that there is a presumption in favor of the validity of the patent, cannot be accepted.

40. Learned senior counsel for the defendant drew the attention of the court to certain provisions of the Patents Act to contend that the product in respect of which the plaintiff holds a patent is not an 'invention'. In this behalf, learned senior counsel referred to the provisions of Section 2(j) of the Patent's Act, 1970 (hereinafter referred to as the Patent Act) wherein 'invention' has been defined as:

(j) "invention" means any new and useful-

(i) art, process, method or manner of manufacture;

(ii) machine, apparatus or other article;

(iii) substance produced by manufacture and includes any new and useful improvement of any of them, and an alleged invention.

41. Learned senior counsel further referred to Section 3(d) of the Patent Act to contend that the mere discovery of a new use for a known substance does not constitute an invention. The said provision reads as under:

3. What are not inventions:

The following are not inventions within the meaning of this Act, -

...

(d) the mere discovery of any new property of new use for a known substance or of the mere use of a known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant;

...

42. Learned senior counsel also referred to the judgment of the Apex Court in Bishwanath Prasad Radhey Shyam case (supra), wherein the court referred to the decision in Rickmann v. Thierry case (supra) in which it was noted that it was not enough that the purpose is new or that there is novelty in the application, so that the article produced is new, there must be novelty in the mode of application. In adopting the old contrivance to the new purpose, there must be difficulties to be overcome requiring what is called invention, or there must be ingenuity in the mode of making the

adoption. The observations of Blackburn LJ that mere application of an old contrivance in an old way to an analogous subject without any novelty or invention is the mode of applying such old contrivance to a new purpose is not a valid subject matter of a patent were also referred to. In *Gadd and Mason v. The Mayor &c of Manchester* (1892) RPC 516, it was observed that a patent for the mere new use of a known contrivance without any additional ingenuity in overcoming fresh difficulties is bad, and cannot be supported. A patent for a new use of a known contrivance is good and can be supported, if the new use involves practical difficulties which the patentee has been the first to see and overcome by some ingenuity of his own. An improved thing produced by a new and Page 0904 ingenious application of known contrivance to an old thing, is a manner of a new manufacture within the meaning of the statute.

43. Learned senior counsel thus contended that the various features of the invention claimed by the plaintiff were already known and merely the fact that the plaintiff's are using the same in the pharma industry would not result in the same becoming an 'invention' as defined by the Patent Act.

44. In this regard, learned Counsel for the plaintiff contended that the invention in question was developed with the objective of providing the pharmaceutical and food industry with a product that solves several problems encountered in packaging which does not mean that the invention is merely a discovery of a new use of a known substance. Components of the invention such as the extent if metallization of PVC film to maintain translucency, thermoformable metallised PVC and the thickness of PVC film to prevent migration of additives were unknown prior to the date of patent.

45. Learned senior counsel relied on the provisions of Section 25(2) of the Patent Act in support of the proposition that under the Patent Act, an opposition can be filed against a patent any time after the grant of the patent but before the expiry of a period of one year from the grant. The opposition by the defendant is stated to have been filed within the said period.

46. Section 64 of the patent Act contains provisions on the revocation of patents. The grounds for revocation including revocation sought in a counter-claim in a suit for infringement of a patent by the High Court include:

(e) that the invention so far as claimed in any claim of the complete specification is not new, having regard to what was publicly known or publicly used in India before the priority date of the claim or to what was published in India or elsewhere in any of the documents referred to in Section 13;

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

...

47. Learned senior counsel further referred to Section 107(1) of the Patents Act in support of the proposition that in any suit for infringement of a patent every ground on which it may be revoked under Section 64 shall be available as a ground for defense.

48. It was thus contended that prior knowledge / use and obviousness are grounds for revocation and can also be taken as defenses in a suit for infringement.

49. On consideration of the pleas of the learned Counsel for the parties on this aspect, and the conspectus of the legal position, as enunciated in the treatise and the judgments, it is obvious that the essential element of novelty and inventive step would depend on the given facts of each case. If the particular manner of manufacture is same, then there cannot be any novelty in the subject matter. If there is no inventive step, it implies that it is obvious. Page 0905 Similarly the observations in para 32 of the judgment in *M/s Bishwanath Prasad Radhey Shyam v. Hindustan Metal Industries*; supra also make it clear that merely because a patent has been granted does not guarantee the validity of the patent. In the present case, an opposition has been filed by the defendant and the counter claim of the defendant is based on the said opposition. Thus there cannot be any presumption in favor of the validity of the patent and thus the Court would be required to examine this aspect in the present suit.

50. It cannot be lost sight of that the object of grant of patent is to encourage scientific research, new technology and industrial progress and for that object exclusive privilege is granted. On the expiry of the patent, it passes on the public domain. This in turn implies that the invention must be new and useful. Invention would of course include improvement as observed by Lord Davey in *Rickmann v. Thierry*; supra. It is not enough that the purpose is new or that there is novelty but in the application there is a mandatory requirement of novelty in the mode of application.

51. The present position being the one of interim stage only a prima facie view can be taken. The final view would arise only after trial in the suit. Needless to say that the parameters of balance of convenience and irretrievable loss and injury would have to be kept in mind by the Court while determining as to which way the order should go at the interim stage. In depth factual material placed by both the learned Counsel for the parties leaves no manner of doubt that metallized PVC film is not something new or novel which has emerged. The various illustrations given by both the learned Counsels make it clear that such a product has been known since long. Similarly, the process of vacuum metallizing or metallizing by vapour deposition is also not a new technology. In fact this is not even the plea of the plaintiff. The substratum of the plea of learned Counsel for the plaintiff hinges round a particular form of the metallized PVC film in which the plaintiff claims the invention.

52. A perusal of the patent claim of the plaintiff itself shows that the plaintiff itself has acknowledged that metallization of a polymeric film is known. It would not be a defense of the defendant to show that the various integers were already known separately and thus the combination thereof cannot be patented. This would amount to mosaicing which is recognized as not permissible for determining the validity of a patent in view of settled legal position enunciated hereinabove.

53. The use of such PVC metallized films has already been in existence for both pharmaceutical and food industry. There is enough material on record to substantiate this. The plaintiff however claims invention in respect of the manner of use of the components. Thus the extent of metallization of PVC film to maintain translucency, thermoformable metallized PVC films and the thickness of PVC film to prevent the migration of additives is what is claimed to be the basis of the patent.

54. I am unable to accept the submission of the learned Counsel for the plaintiff that the said factors were unknown to the industry including as a Page 0906 combination. The individual components were known. The combination of these components was also known. A perusal of the book on Pharmaceutical Packaging Technology, placed on record by the defendant, in the chapter on Films, foils and lamination shows that it has been specifically noted that PVC is used in thermoforming for all types of blister and bubble packs. The book mentions vacuumized treatment such as metallization used for the deposition of a coating of aluminum onto the surface of films. It may be noticed from the report of the National Chemical laboratories Pune that the metal layer on the product of the plaintiff and the defendant was identified to be aluminum. Further, in the context of vacuumized treatment, it has been observed that it gives foil type appearance, reflecting light and heat and reducing moisture and gas permeation. Also, the covering of particles is not continuous and can be demonstrated by holding up to light when the degree of visibility enables items to be identified through the film. The book also notes that coatings are an alternative means of adding properties that are not present in the base material. Similarly, the specification of US patent no 5,106,670 in respect of metallised package components placed on record by the defendant mentions PVC as one of the layers of the film laminate. In fact the claim states that the metallised packaging component comprises a thermoformable polymeric film laminate with a metallic layer on one surface of the film laminate. The thermoplastic film layers have substantially equivalent indices of refraction to minimise diffusion of light at the interface thereof to maintain substantial clarity and transparency of the said film laminate. The invention also mentions a second layer consisting of polyvinylidene chloride and ethyl vinyl alcohol. A discussion of the advantages of the material shows that the same is used for packaging of foods as it prevents entry of light that may cause oxidative rancidity of fatty and fried foods. The above shows that the features and qualities claimed by the plaintiff of the invention including use of PVC, a metallised layer, thermoformability, and transparency/translucency were known as a combination as well.

55. The emphasis of the plaintiff has been only on the combination of thickness of different material and in the absence of any evidence having been recorded, at the prima facie stage, it cannot be said that there is element of newness in it which would give it the right of being patented. As to what thickness of each of the components would best combine to give an appropriate result, is a mere matter of experimenting with different thicknesses. It prima facie does not appear to have an inventive quality. It is thus not a case of defense of mosaicing by the defendant but of the plaintiff using known factors and materials to make some adjustments and then claiming patent in the same to preclude others from doing the same. This would not be permissible.

56. I am thus of considered view that the patent does not prima facie satisfy the test of a new invention and was already known to the trade.

Manufacture of Metallised PVC Film by Third Parties:

57. It was the plea of the learned senior counsel for the defendant that not only was the metallized PVC product well known to the market but it was being manufactured in India. In this behalf a reference was made to the letter of Metalon India Pvt Ltd dated 12.08.2006 in terms whereof Page 0907 Metalon India Pvt Ltd had offered non toxic blister packaging grade of certain description specially in gold and silver. This was claimed to be for its own use and could be supplied to the defendant from existing stocks. In fact Metalon India Pvt Ltd vide its letter dated 19.08.2006 has claimed a pioneering effort in metallizing PVC films since 1984. A similar communication is also available from Sai Metaplast dated 10.08.2006. In my considered view this is not the stage at which any conclusion can be derived at one way or the other on the basis of the material on the record. Reference is to metallized PVC film in general without any details about the different qualities. Thus it would be difficult to come to a conclusion at this stage in favor of the defendant in respect of the manufacture by these 2-3 parties in respect of the material in question.

Non manufacture by plaintiff and sourcing the same from Nan Ya Plastics Corporation, Taiwan:

58. This aspect requires a detailed scrutiny especially in view of the fact that the suit is one for injunction and at present the Court is seized with the issue of interlocutory injunction. In all such matters, it is trite to say that a party must disclose all facts and come clean before the Court. Non disclosure, concealment of facts or improper disclosure would result in denial of the equitable relief of injunction.

59. The averments made in the plaint are that the "plaintiff has been manufacturing and marketing blister films made out of variety of plastics material including PVC for packing pharmaceutical products since 1997." The impression throughout the reading of the plaint is that as if the plaintiff is manufacturing the film itself. In the written statement the defendant explained that the PVC film had been around for several decades and defendant has been sourcing the said film from M/s Nan Ya Plastics Corporation, Taiwan. A certificate dated 11.08.2006 issued by Nan ya Plastics Corporation to this effect was placed on record in the following terms:

1. We Nan Ya Plastics Corpn are in the business of the manufacture and supply of Rigid PVC Metallized film for more than a decade
2. The subject is food/ pharma thermoform-able grade blister packing of pharmaceutical products.
3. We have been regularly supplying this material to the following companies in India
a. M/s Amartara Pvt. Ltd Mumbai, b. M/s Bilcare Ltd., Pune
4. The quality of material supplied to both the above companies are as per our established standards and one and the same

60. It is only in the replication that the plaintiff has admitted that it was too sourcing its product from Nan ya Plastics Corporation and obtained a letter from the said Corporation dated 12.09.2006 in the following terms:

Dear Rahul, This is regarding supply of metallised PVC Films to you.

In 2004 you had asked us if we could supply you a metallised film as per your specification and we had suggested to you that we will be able Page 0908 to do the same. We supplied you a trial quantity, which was found to be satisfactory at your end after your in house tests and you started taking regular supplies from us. Another Indian company asked us in due course of time if we could supply the same material to them and we informed that we do provide it to Bilcare and we can supply the same specifications material to them also. As we were not aware that you had applied for a patent for specific application for pharmaceutical products. If you have a patent for the use of this type of film for pharmaceutical products then henceforth, we will not supply the metallised films specifically for pharmaceutical applications.

Since you have developed this specific film with Nan Ya, you are requested to procure the same exclusively from Nan Ya for the Indian market at least till May 2007.

We wish to state that Nan Ya will be exclusively supplying the metallised PVC film as per Bilcare's specifications in Indian market through Bilcare at least till May 2007.

61. On the basis of said letter, a case was said to have been built up as if the technology was owned by the plaintiff which was supplied to Nan ya Plastics Corporation and Nan ya Plastics Corporation in turn utilized the technology for making the film which was in turn supplied to the plaintiff. Prima facie the plea of the plaintiff is difficult to accept.

62. Firstly the plaintiff failed to disclose this important fact in the plaint. The case set up was that of manufacture by the plaintiff itself. Only on the defendant coming out with its case, did the plaintiff try to give a colour of sourcing its technology through a third party for manufacture on the basis that it was cheaper to get the work done in Taiwan. This was not the original case set up by the plaintiff. The first letter issued by Nan Ya Plastics Corporation dated 11.08.2006 itself shows that the said Corporation has been in the business of manufacture and supply of PVC metallized films for packaging of food/pharmaceutical products. The letter also states that a regular supply has been made both to the plaintiff and the defendant. The second letter dated 12.09.2006 which is claimed to be an extension, is really running contrary to the earlier letter. The letter appears to be a prima facie procured to get out of the consequences of the earlier letter dated 11.08.2006. It is also material to note that even in the second letter there is no mention of any transfer of technology by the plaintiff to the Nan ya Plastics Corporation. Possibly the letter has been carefully worded by the said Corporation in the absence of any transfer of technology.

63. In my considered view this ground alone should be sufficient to deny the plaintiff the continuation of any interim relief.

Release of the product prior to patent application:

64. Learned senior counsel for the defendant submitted that the invention had been anticipated by way of prior use in India by the plaintiff itself which had already released/worked the product in question from 2003 prior to the date of the application for the patent (03.03.2004). In this regard, learned senior counsel referred to "Express Pharma Pulse" (a weekly for the Page 0909 pharmaceutical industry) dated 30.01.2003 which carries a story entitled "Bilcare organises seminar on new packaging technology". The story mentions the inauguration of ten new products of the plaintiff including Patina which is the name under which the patented product is stated to be marketed. The issue is dated one year prior to the patent application of the plaintiff.

65. A printout from the website of the plaintiff as on 22.08.2003 shows that there was information on the product Patina of the plaintiff. The salient features of the product as enumerated on the said website include enhanced barrier over mono PVC film, excellent thermoformability, non-toxic pharma grade multi layer film and compliance with international limits for global migration and RVCN contents. It has been specifically stated that customised products and colours can be developed to suit specific cases. Standard colour options are Gold and Silver.

66. In this context, learned senior counsel for the defendant also referred to the proviso to Section 29(2) of the Patents Act. Section 29 of the Patent Act pertains to 'anticipation by previous publication'. The relevant provision reads as under:

(2) Subject as hereinafter provided, an invention claimed in a complete specification shall not be deemed to have been anticipated by reason only that the invention was published before the priority date of the relevant claim of the specification, if the patentee or the applicant for the patent proves -

a. that the matter published was obtained from him, or (where he is not himself the true and first inventor) from any person from whom he derives title, and was published without his consent or the consent of any such person; and b. where the patentee or the applicant for the patent or any person from whom he derives title learned of the publication before the date of the application for the patent, or, in the case of a convention application, before the date of the application for protection in a convention country, that the application or the application in the convention country, as the case may be, was made as soon as reasonably practicable thereafter:

Provided that this sub-section shall not apply if the invention was before the priority date of the claim commercially worked in India, otherwise than for the purpose of reasonable trial, either by the patentee or the applicant for the patent or any person from whom he derives title or by any other person with the consent of the patentee or the applicant for the patent or any person from whom he derives title.

67. Learned senior counsel further referred to the provisions of Section 32 of the patents Act which is as under:

32. Anticipation by Public working: An invention claimed in a complete specification shall not be deemed to have been anticipated by reason only that at any time within one year before the priority date of the relevant claim of the specification, the invention was publicly worked in India -

Page 0910 a. by the patentee or applicant for the patent or any person from whom he derives title; or b. by any other person with the consent of the patentee or applicant for the patent or any person from whom he derives title, if the working was effected for the purpose of reasonable trial only and if it was reasonably necessary, having regard to the nature of the invention, that the working for that purpose should be effected in public.

68. Learned senior counsel thus contended that the plaintiff has been commercially working the invention prior to filing of the patent application and thus the invention was anticipated by prior publication and working.

69. In the reply of the plaintiff to the application of the defendant under Order 39 Rule 4, the plaintiff has stated that the plaintiff discussed implications, opportunities and growth perspectives in the packaging of pharmaceutical products in the seminar. The plaintiff also discussed intentions to develop a new range of materials of products and introduce new brands and stated that no samples of the concerned products were distributed. It is also stated that the commercial marketing of the products including 'patina' and 'ultra range started by the plaintiff only in mid 2004.

70. Learned Counsel for the plaintiff, contended that none of the website printouts relied on by the defendant prior to June 2004, pertain to the invention that is the subject matter of the patent. Further, the documents do not show any co-relation between the trademark Patina, as used before June 2004, and the invention that is the subject matter of the present suit. Learned Counsel submitted that the first product launched using the invention covered under the patent in question no 197823 was Shelcal in June 2004.

71. The material referred to aforesaid, in my considered view, thus suggests that the trade mark Patina covered a product which was in existence prior to the date of patent application. The material also shows that the said Patina refers to the qualities of the product in question. The plaintiff also refers to Patina. Thus at this stage when further evidence is being led by the plaintiff, it cannot be said that trademark Patina referred to material other than the one in question. The plaintiff itself in the plaintiff has not set out the earlier existence of the product Patina and that the product in question was different from the same. It is only when the defendant set up the said defense of prior introduction in the market to the date of the application that this explanation has come from the plaintiff. Thus there is force in the plea of the defendant.

Two layered or multi layered films - its effect:

72. Learned senior counsel for the defendant submitted that the patent of the plaintiff contemplates metallised PVC films having at least three layers. Learned senior counsel drew the attention of this Court to the report of the National Chemical Laboratories Pune of the analysis of the sample

metallised PVC film of the plaintiff and the metallised PVC film of the defendant received from Vasu Impex to whom the defendant was stated to have sent samples. Both the samples are of silver metallised PVC film and consist of two layers each. The thickness of the plaintiffs sample is 250 microns and that of the defendants sample is 228 microns. The metal layer in both the products is Page 0911 stated to be aluminium. The report also states that the thickness of the metal layer cannot be measured on the scanning electron microscope as the same measures thickness above 0.05 microns only. Learned senior counsel thus contended that the plaintiff's product is nothing more than vaporisation of aluminium on PVC, which has been acknowledged as being known by the plaintiff itself. In this behalf learned senior counsel referred to the complete specification of the plaintiff's patent. It is stated therein as under:

Metallization of polymeric films are per se known. Typically in the prior art films such as PET (polyethylene terephthalate) PP [polypropylene], LDPE [low density polyethylene] metallised films have been used for photosensitive and oxygen scavenging/oxygen barrier films for use at very low thickness (less than 100 microns).

Metallization on thin films are generally done by vaporising aluminum in a vacuum chamber under very high vacuum. The aluminium vapour will then be condensed on to the film surface, which forms a thin aluminium layer (~0.4 microns).

73. Learned senior counsel submitted that the various examples of 'typical films in accordance with this invention' cited in the specification are also of three layered films. It is also submitted that the parent claim of the plaintiff's patent specification itself speaks of three layers.

74. Learned senior counsel also referred to the remarks by the US attorneys in support of the US patent of the plaintiff's invention. In response to the rejection of some claims of the plaintiff in view of the Akao patent in respect of a food packaging film consisting of PVC with a metallised layer and a thermoplastic polymer on the ground of obviousness it is stated that this ground is traversed by the applicant as it is deemed that the Akao patent does not render the applicants' at least three layer film obvious.

75. Learned senior counsel submitted that from several parts of the specifications, it is clear that the invention consists of at least three layers. The thickness of 0-250 microns specified would imply a very minimal/ thin layer but it would be incorrect to wish away the third layer.

76. On the other hand, learned Counsel for the plaintiff contended that since the thickness specified of the polymeric layer is 0-250 microns both two-layered and multi-layered films are envisaged. It is however not disputed that the application originally filed by the plaintiff for the US patent was initially in the same terms as filed in India but had to be amended to make a layer 1-250 microns and thus only a multi layered film was envisaged and not two-layered film. This is sought to be explained by the learned Counsel for the plaintiff on the ground that to that extent the patent is different in India and USA.

77. I am unable to accept the plea of the learned Counsel for the plaintiff since essentially the claim of the plaintiff is for a multi layered film comprising of three layers. The patent specifications itself stipulate at page 8 of the application as under:

With this objective, a multi layered film essentially comprising at least three layers is developed which has the capacity to provide high to medium barrier against moisture.

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78. The examples from the specifications as provided in page 11-19 of the specifications also really refer to a three layered film.

79. The plaintiff failed to obtain the patent in terms of the original application for a two layered film and thus the patent was really granted for a multi-layered film. The specifications referred to aforesaid in the application for patent filed in India also show that it is really a patent for a multi layered film and not for two-layered film.

80. The plea of the learned Counsel for the plaintiff that the third layer was optional does not find sustenance from the patent application itself as there is no mention of this fact in the specifications of the patent or the claims. Thus prima facie the patent was granted for a multi layered film while the defendant is really using two layered film. The aforesaid conclusion finds support from the report of the National Chemical Laboratory that both the sample films of the plaintiff and the defendant consisted of two layers each. While the report contains a finding on the thickness of the entire film, there is no specific finding on the thickness of the aluminum layer deposited on the PVC film, the reason for which has been given.

Whether no Interim Injunction if Validity of Patent Challenged?

81. Learned senior counsel placed reliance on a judgment of a learned single judge of this Court in *Ram Narain Kher v. Ambassador Industries and Anr.* AIR 1976 Del 87, in support of the proposition that the court will be reluctant to grant an interim injunction if the defendant disputes the validity of the grant. It was noticed as observed in *Kerr on Injunctions* (2nd Ed p. 320) that if the patent is new and its validity has not been established in a judicial proceeding and if it is endeavored to be shown that the patent ought not to have been granted, the Court will not interfere by issuing a temporary injunction. Again in *Standipack Pvt. Ltd. and Anr. v. Oswal Trading Co. Ltd etc* AIR 2000 Del 23, learned single judge of this Court, in view of the decisions cited noted that when the validity of a patent is challenged and revocation application is filed, some of the decisions referred to have held that no injunction should be granted under such circumstances. In this case, the court found that there is a strong prima facie case in favor of the defendant in the application/counterclaim filed for revocation and the defendants have a strong arguable case and held the plaintiff had failed to make any prima facie case for the grant of injunction. The court referred to the judgment of a division bench of this Court in *Franz Xaver Huemer v. New Yash Engineers* AIR 1997 Del 79 wherein it was held that it is not sufficient merely to have registration of the patent and that the court must look at

the whole case of the patentee and the strength of the defense such as those falling under Section 107 read with Section 64.

82. Learned Counsel for the plaintiff, in this regard referred to the judgment in *Telemecanique & Controls (I) Limited v. Schneider Electric Industries S A 2002 (24) PTC 632 (Del) (DB)*, wherein a division bench of this Court observed Page 0913 that once a violation is established in case of a registered patent, subject of course, to the patent being used, it would not be possible to contend that the patentee is not entitled to an injunction. A monopoly of the patent is the reward of the inventor. The court also noted the distinction between the law of patents and that of copyrights and trademarks as a patent is granted only for a period of 14 years.

83. Learned Counsel further referred to the judgment of a full bench of this Court in *M/s Metro Plastic Industries (Regd.) v. Galaxy Footwear, Delhi AIR 2000 Del 117*, wherein, the court did not agree with the contention of the counsel that merely because a registration is recent is by itself no ground for refusing an injunction. That would be a factor that would have to be taken into consideration by the court. The judgment is in respect of the Designs Act.

84. The conspectus of the aforesaid decisions is that it is not sufficient for the grant of an injunction that a patent is registered and the strength of the defense including the revocation application have to be looked into Contempt:

85. The last aspect to be considered is arising from the contempt application filed by the plaintiff. The report of the local commissioner dated 15.12.2006 on visit to the premises of the defendant resulted in samples being drawn.

86. Learned Counsel for the plaintiff has drawn the attention of this Court to the invoices to show that the endeavor was to give a different colour to the description of the same goods to evade the injunction order. The pricing is different for the description of the product in question as against what was being sold and thus the goods sold could not have been ones under the description sold.

87. Learned senior counsel for the defendant on the other hand submitted that the defendant was under a belief that the injunction was covering only a multi layered and not a two layered film, but in any case the defendant had stopped selling multi layered film. The defendant has also tendered an unqualified apology.

88. In view of the conspectus of the aforesaid, I am not inclined to proceed further in the contempt application and discharge the notice on the same.

Conclusion:

89. The result of the aforesaid is that the plaintiff has failed to make out a prima facie case for the continuation of the interim injunction on account of what has been discussed hereinabove. In fact the ex parte injunction has resulted in loss to the defendant and the injunction has been obtained by not disclosing the complete facts including the important aspect of the plaintiff sourcing the

material through Nan Ya Plastics Corporation, Taiwan.

90. The patent was granted recently and the objections to the same are pending post grant. The balance of convenience is in fact in favor of the Page 0914 vacation of the injunction and any continuation of the injunction would cause loss to the defendant and not to the plaintiff. The plaintiff can be protected by directing the defendant to keep accounts of the sales of the film in question during the pendency of the suit and filing the same on a quarterly basis with copy to the plaintiff. Ordered accordingly.

91. Interim orders dated 01.08.2006 are vacated.

92. IA No. 10848/2006 (under Order 39 Rs 1 & 2 of CPC) and IA No. 13971/2006 (under Order 39 Rule 2A of CPC) are dismissed while IA No. 11160/2006 (under Order 39 Rule 4 of CPC) is allowed.

93. Defendant is also entitled to costs of Rs 50,000/-.