IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 1490 OF 1984

From the Judgment and Order dated 16.2.1984 of the Madras High Court in O.S.A. No. 217 of 1982.

MONSANTO COMPANY BY THEIR PATENT AGENT, DE PENNING AND DEPEN ... Appellant

Vs.

CORAMANDAL INDAG PRODUCTS (P) LTD. ... Respondent

Date of Judgment: 14/01/1986

CORAM

O. CHINNAPPA REDDY, J.

E.S. VENKATARAMIAH, J.

S. Chellaswamy, N.H. Hingorani, Mrs. Kapila Hingorani, Mrs. Rekha Pandey and D. Sadasivan for the Appellants.

F.S. Nariman, M.K. Rao, P.N. Ramalingam and A.T.M. Sampath for the Respondent.

JUDGMENT

The Judgment of the Court was delivered by

CHINNAPPA REDDY, J.

1. The long and grasping hand of a Multi National Company, the Monsanto Company of St. Lous, Missouri, United States of America, has reached out to prevent alleged infringement of two of their patents (Numbers 104120 and 125381) by the defendant, an Indian Private Limited Company. Though the suit,

as initially laid, was with reference to two patents, the suit was ultimately confined to one patent only (Number 125381), the period for which the other patent (104120) was valid having expired during the pendency of the suit. The suit was decreed by the trial court, but was dismissed by the appellate court. The appeal which is now before us has been filed pursuant to a certificate granted by the appellate bench of the High Court on the ground that substantial questions of law of great public importance were involved. The questions, however, were not specified in the certificate. As we see it, we are unable to find any substantial questions of law of great importance. We are afraid both the lower courts misdirected themselves and missed the real substance of the dispute and found themselves chasing the mirage of legal questions which did not strictly arise.

2. We may first refer to a few preliminary facts. Weeds, as is well-known, are a menace to food crops, particularly crops like rice which belong to the grass-variety. Research has been going on for years to discover a weed killer which has no toxic effect on rice, that is to say, a Herbicide which will destroy the weeds but allow rice to survive without any deleterious effect. For long the research was futile. But in 1966-67 came a break through. A Scientist Dr. John Olin discovered CP53619 with the formula '2-Chlore-2',6'-Diethyl-N-(Butoxy-Methyl)- Acetanilide' which satisfied the requirement of a weed killer which had no toxic effect on rice. The annual report of the International Rice Research Institute for 1968 state, "Weed control in rice was an important part of the Agronomy program. The first agronomic evidence of the efficacy of granular - trichloroethyl styrene for the selective control of annual grasses in transplanted rice was obtained at the Institute. Another new accession, CP53619, gave excellent weed control in transplanted flooded and non-flooded, upland rice." It was further stated "CP53619 at 2 and 4 k.g./ha a.i. appeard at least twice among the 20 best treatments" and "the most outstanding new pre-emergence herbicide was 2-chloro-2', 6'-diethyl-N- (butoxymethyl)-acetanilide (CP 53619)." The annual report of the International Rice Research Institute for 1969 shows that the herbicide CP 53619 came to acquire the name of Butachlor.

3. It is now necessary to refer in some detail to the averments in the plaint, as the decision of the case, in the view that we are taking, turns very much on what the plaintiffs themselves had to say about their case. The first plaintiff is the Monsanto Company and the second plaintiff is a subsidiary of the first plaintiff registered as a Company in India. It was stated in the plaint that the first plaintiff was the patentee of inventions entitled "PHYTOTOXIC COMPOSITIONS" and "GRASS SELECTIVE HERBICIDE COMPOSITIONS", duly patented under patent number 104120 dated March 1, 1966 and 125381 dated February 20, 1970. The claims and the particulars relating to the inventions were stated to be contained in the specifications of the two patents annexed to the plaint as annexure I and II. After stating so much the plaintiffs said, and this is very important, "THE ACTIVE INGREDIENT MENTIONED IN THE CLAIM IS CALLED "BUTACHLOR". It suggested, without expressly saying it that the Plaintiffs' patents covered Butachlor also which in fact it did not, as we shall presently see. It was next stated that the first plaintiff had permitted the second plaintiff to work the patents from 1971 onwards under an agreement dated September 3, 1980. The second plaintiff had been manufacturing and marketing formulations according to the Patents Numbers 104120 and 125381 and 'a specimen tin containing formulations produced by the second plaintiff according to the said two patents and sold in the market by the second plaintiff' was produced along with the plaint as M.O.I. It came to the notice of the plaintiffs, it was averred, that the defendant was attempting to market a formulation of Butachlor covered by the said patents. They, therefore, wrote to the defendant drawing their attention to the existence of the patents in their favour. Some correspondence ensued. In the second week of May, 1981, the second plaintiff found that the defendant was marketing formulation of Butachlor covered by the patents of the first plaintiff. Sample tins of "Butachlor- 50" manufactured by the defendant were purchased by the plaintiffs and were produced along with the plaint as M.O.s 3 and 4. The legend on the tins was as follows :

"Delchor-50

Composition

(Butachlor 50%E.C.) Butachlor 50% W/W

Herbicide

Solvents and Emulsifiers

50% W/W"

According to the plaintiffs, the legend on the tins containing the substance manufactured by the defendants showed that what was sold by the defendants was nothing but a reproduction of the first plaintiff's patented formulations. The formulations of the defendant were sent to Shri Ram Institute for analysis and they were said to contain the chemical "Butachlor Chemical formula for which is 2 Chloro 2' 6' -Diethyl - N - (Butoxymethyl) Acatanilide." On these averments, the plaintiffs alleged that the defendant had infringed their Patents Numbers 104120 and 125381 by selling formulations covered by them. The plaintiffs used for an injunction to restrain the defendant from infringing their Patents Numbers 104120 and 125371 by the manufacture or sale of the infringing formulations as contained in this marked as M.O.Nos. 2 and 3. The Plaintiffs also asked for an account etc. Annexed to the plaint were the two specifications relating to Patent Numbers 104120 and 125381. In the specification relating to "Phytotoxic Composition" (Specification No. 104120), it was claimed :

"We Claim :

1. A phytotoxic composition comprising as an active ingredient a compound of the formula shown in Figure 1 of the accompanying drawings, wherein R1 and R2 are alkyl of alkoxy having from 1 to 10 carbon atoms, R3 is halogen, alkyl or alkoxy having from 1 to 10 carbon atoms, n is an integer from 0 to 3, A is oxygen or sulfur, X is chlorine, bromine or iodine, and Z,Z1 and Z2 are hydrogen, alkyl, alkoxy,alkenyl or alkynyl having from 1 to 18 carbon atoms, aryl having from 6 to 24 carbon atoms, heterocyclyl having a miximum of 24 carbon atoms and from 1 to 3 hetero atoms, or two of Z groups are combined to form a bivalent alkylene radical having from 1 to 6 carbon atoms in admixture with an adjuvant such as herein described, the active ingredient in the said composition being present in an amount of at least 0.1 per cent by weight.

2. A phytotoxic composition as claimed in Claim 1, wherein the active ingredient is 2' -tertbuty 1-2-chloro-N-(2-prophynyloxy-methyl)-6'methyl-acetanilide.

3. A phytotexic composition as claimed in Claim 1, wherein the active ingredient is 2' -tertbutyl-2-chlore-N-(2-prophynyloxy-methyl)-6' -methyl-acetani-lide.

4. A phytotexic composition as claimed in Claim 1, wherein the active ingredient is 2'-tertbutyl-2-chlore-N(allyloxymethyl)-6' methylacet-anilide.

5. A phytotoxic composition as claimed in Claim 1, wherein the active ingredient is 2-tertbutyl-2-brome- N-methexy-methyl-6'-methylacetanilide.

6. A phytotoxic composition as claimed in Claim 1, wherein the active ingredient is 2'-tertbutyl-2-broome-N-(2-prophynylexymethyl)-6-methylacetani-lide.

7. A phytotoxic composition as claimed in Claim 1, wherein the active ingredient is 2-chloro-2', 6-disthyl-N-(methoxymethyl) acetanilide.

8. A phytotoxic composition as claimed in Claim 1 wherein the active ingredient is 2'-tertbutyl-2-bromo-N-(allyloxymethyl)-6'-methylacetanilide.

9. A phytotoxic composition as claimed in Claim 1, wherein the active ingredient is 2'-tertbutyl-2-choloro-N- (2-methoxyethoxymethyl) -6'-methylacetan-ilide.

10. A phytotoxic composition as claimed in Claim 1, wherein the active ingredient is 2'-tertbutyl-2-bromo-N- (2-methoxyethoxymethyl) -6- methylace tanilide.

11. A phytotoxic composition as claimed in Claim 1, wherein the active ingredient is 2-bromoe-2'-terbutyl-N-(2,3 - dihydroxypropoxyomethyl)-6-methylacetanilide.

12. A phytotoxic composition as claimed in Claim 1, wherein the active ingredient is 2-chloro-2', 6-dimethyl-N-(isoproposymethyl)-acetanilide.

13. A phytotoxic composition substantially as herein before described."

In the specification relating to Grass selective Herbicide Compositions (Specification No. 125381), it was claimed:

"We claim:

1. A herbicidal composition in the form of an emulsion, suspension or dispersion, comprising as active ingredient a compound selected from the group.

a) 2',6' -diethyl-N-butoxymethyl-alpha-chloroaceta-nilide, and

b) 2', 6'-diethyl-N-(2-butoxyethyl)-alpha-chloro-acetanilide, or a mixture of (a) and (b) in admixture with one or more diluents or carriers and surface active agents in which an emulsion is obtained by dissolving the active ingredient in an organic solvent and thereafter dispereing the solution in another liquid medium in the presence of an emulsifying agent such as herein described.

2. A composition as claimed in claim 1, which further comprises one or more compounds selected from the following - conventional pesticides, fertilizers, and extenders such as herein described.

3. A composition as claimed in claim 2, wherein mineral extenders such as natural clays, phyro-phyllites and vermiculite having a perticle size of 2000 to 149 microns, preferably of 1410 to 250 microns, are used.

4. A herbicidal composition in the form of an emulsion, suspension or dispersion substantially as hereinbefore described."

4. We do not propose to set out in detail the contents of the written statement. It is sufficient to state that the Defendant claimed as he was entitled to do under s. 107 of the Patents Act 1970, that the patents were liable to be revoked under s. 64(1) (a),(b),(d),(e),(f),(g),(h),(i),(j),(k),(l) and (m) of the Patents Act. The defendant also made counter claim seeking revocation of the patents.

5. A close scrutiny of the plaint and a reference to the evidence of the witnesses for the plaintiff atonce exposes the hollowness of the suit. We must begin with the statement in the plaint that "THE ACTIVE INGREDIENT MENTIONED IN THE CLAIM IS CALLED 'BUTACHLOR'" which suggests that Butachlor was covered by the Plaintiffs' patents and the circumstance now admitted that no one, neither the plaintiff nor any one else, has a patent for Butachlor. The admission was expressly made by PW-2, the power of attorney holder of the first plaintiff and Director of the second plaintiff company. The learned counsel for the plaintiffs also admitted the same before us. PW-1, Dr. Dixon, Chemist of the first

plaintiff company, after explaining the use of an emulsifying agent, in answer to a direct question, whether his company claimed any patent or special knowledge for the use of any particular solvent or particular emulsifying agent, in the formulation in their patent, had to admit that they had no such patent or special knowledge. He further admitted that the use of solvent and emulsifying agent on the active ingredient was one of the well-known methods used in the pesticide industry to prepare a marketable product. He also expressed his inability to say what diluents or emulsifying agents the defendant used in their process. PW-2 admitted that Butachlor was a common name and that the Weed Science Society of America had allotted the common name. He stated that "Machete" was the brand name under which their company manufactured Butachlor. He also stated that there could be a number of concerns all over the world manufacturing Butachlor, but he was not aware of them. He admitted that they did not claim a patent for Butachlor. He stated that though his company did not claim a patent for Butachlor, they claimed a patent for the process of making a Butachlor emulsifiable concentrate to be used as a Herbicide composition for rice. Pursued further in cross-examination, he was forced to admit that they used kerosene as a solvent for Butachlor and an emulsifier manufactured by a local Indian company as an emulsifying agent. He then proceeded to state that he claimed secrecy with regard to the manufacture of their formulation. When he asked further whether the secrecy claimed was with regard to the solvent or with regard to the stabilizer, he answered in the negative. He finally admitted that his secret was confined to the active ingredient Butachlor about which as we know there is no secret. PW-3, Robert Galson Depenning the patent agent of the first plaintiff under a power of attorney from the first plaintiff, stated that it was he that had verified the plaint and that it was on his instructions that the plaint was drafted. He stated that according to him, by selling his formulations the defendant had infringed Patents Numbers 104120 and 125381, though he was unable to explain which part of his claim in Patent Number 104120 was infringed as he was not a Chemist. He stated that he said so and was able to say so in consultation with the

Managing Director of the second plaintiff company. He stated that it was explained to him by PW-2 that both the Patents Numbers 104120 and 125381 were infringed. He also admitted that it was he that had signed the specification of 104120 and while he was not sure whether he had signed the specification Number 125381, he saw that it had been signed by Depenning and Depenning.

6. We, therefore, see that Butachlor which was the common name for CP 53619 was discovered, even prior to 1968 as a Herbicide possessing the property of nontoxic effect on rice. The formula for the Herbicide was published in the report of the International Rice Research Institute for the year 1968 and its common name Butachlor was also mentioned in the report of the International Rice Research Institute for the year 1969. No one patented the invention Butachlor and it was the property of the population of the world. Before Butachlor or for that matter any Herbicide could be used for killing weeds, it had to be converted into an emulsion by dissolving it in a suitable solvent and by mixing the solution with an emulsifying agent. Emulsification is a well-known process and is no one's discovery. In the face of the now undisputable fact that there is no patent for or any secrecy attached to Butachlor, the solvent or the emulsifying agent and the further fact that the process of emulsification is no new discovery, the present suit based on the secrecy claimed in respect of the active agent Butachlor and the claim for the process of emulsification must necessarily fail. Under sec. 61(1)(d), a patent may be revoked on the ground that the subject of any claim of the complete specification is not an invention within the meaning of the Act. Under sec. 64(e), a patent may be revoked if 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 date of the claim, etc. Under sec. 64(1)(f), a patent may be revoked if 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 before the priority date of the claim (the words "or elsewhere" are omitted by us as the

patents in the present case were granted under the Indian Patents and Designs Act, 1911, i.e., before the Patents Act 1970). "Invention has been defined by secc. 2(j) as follows:

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

7. It is clear from the facts narrated by us that the Herbicide CP 53619 (Butachlor) was publicly known before Patent Number 125381 was granted. Its formula and use had already been made known to the public by the report of the International Rice Research Institute for the year 1968. No one claimed any patent or any other exclusive right in Butachlor. To satisfy the requirement of being publicly known as used in clauses (e) and (f) of sec. 64(1), it is not necessary that it should be widely used to the knowledge of the consumer public. It is sufficient if it is known to the persons who are engaged in the pursuit of knowledge of the patented product or process either as men of sciene or men of commerce or consumers. The section of the public who, as men of science or men of commerce, were interested in knowing about Herbicides which would destroy weeds but not rice, must have been aware of the discovery of Butachlor. There was no secret about the active agent Butachlor as claimed by the plaintiffs since there was no patent for Butachlor, as admitted by the plaintiffs. Emulsification was the well-known and common process by which any Herbicide could be used. Neither Butachlor nor the process of Emulsification was capable of being claimed by the plaintiff as their exclusive property. The solvent and the emulsifier were not secrets and they were admittedly not secrets and they were ordinary market products. From the beginning to the end, there was no secret and there was no invention by the palintiffs. The ingredients, the active ingredient, the solvent and the emulsifier, were known; the process was

known, the product was known and the use was known. The plaintiffs were merely camouflaging a substance whose discovery was known through out the world and trying to enfold it in their specification relating to Patent Number 125381. The patent is, therefore, liable to be revoked. We do not think that it is necessary for us to go into the various questions of law so carefully and meticulously argued by Mr. Chellaswamy. The questions were no doubt interesting and arose for the first time. But we desire to keep our interest purely academic and within bounds. So we do not pronounce upon those questions. The appeal is dismissed with costs.