

2012 (1) G.L.H. 1
RAJESH H. SHUKLA, J.

Arif Abdul Kader FazlaniAppellant

Versus

Hitesh Raojibhai Patel and Co. and Anr.Respondents

Appeal from Order No. 230 of 2011.

With

Civil Application No. 6819 of 2011

With

Special Civil Application No. 7989 of 2011.

D/- 01.08.2011.

INTELLECTUAL PROPERTY LAWS - (The) Patent Act, 1970 (New Act) - S. 2(j), S. 2(ja), S.3, S. 25, S. 64, S. 83 (c) and S. 104A - Code of Civil Procedure, 1908 - O. 39, R. 1 - A suit for infringement by the appellant-plaintiff that his rights as a patentee for exclusive use of the patented process has been infringed by the respondent-defendants by carrying out similar process - Pending the suit, injunction was sought - Aggrieved by refusal of injunction by lower Court, Appeal preferred, contending therein interalia that, by virtue of grant of patent, which is registered, appellant is entitled for exclusive right to prevent third party from using particular process for packing tobacco leaves - Reliance is placed on the report given by "Mogambo Solutions" - Scrutinizing the facts, it is revealed that, there is novelty in packing as the leaves have been packed in bales in a routine manner since years and hence, is a known prior art - Further, all traders/manufacturers use the same machine - Thus, there is a lack of "obvious inventive steps" - Concurring with the learned lower Court, held that, there is no prima facie case for grant of injunction - Judgment of the trial Court upheld.

These observations go again to the root of the matter with regard to the details of the process or steps or integers and again it has reference to only one step as stated by the so-called experts' opinion referred to by the appellant-plaintiff himself. Further, as both the sides have referred to the reports of Mogambo Solutions and Brain League, and as it is evident, the integers or steps are not even common and both the opinions have also differences. Further, as rightly emphasised by learned Advocate General Mr. Trivedi that it is not kind of any expert opinion with respect to the process, but they have given a survey or search as to the existence of valid patents and while further analysing the process in question, they have discussed different steps. Further, both have differences with regard to the steps involved and only one step/integer is

commonly accepted as a difference, meaning thereby even according to the opinion of the experts relied upon by the appellant-plaintiff, it has not been so demonstrated that the entire process has some ingenuity or novelty on the face of it which a person skilled in the art could accept or understand. It is in this background the submissions made by learned Advocate General Mr. Trivedi are required to be considered and the prayer for injunction which has been declined cannot be said to be erroneous. It is in this background, much emphasis given by the learned Counsel for the appellant-plaintiff, that once the patent is registered by a competent Authority, in absence of any presumption as provided under the statute, unlike the Trade Mark Act, it has to have a weightage for prima facie case and the defendants have failed to show any triable issue or serious question and grant of injunction for infringement was false, cannot be accepted. ([Para 66](#))

the claim is objected and apart from the aspect of validity, vulnerability is suggested by showing grounds provided in Sec. 64 of the New Patent Act with much emphasis that there is a lack of novelty and there is obviousness in the patent claimed and also the grounds of invalidity which specifically include that it is not new and does not involve any inventive steps coupled with the fact that the specification of the patent does not disclose any invention completely establishing that the person skilled in the art also accepts its novelty. ([Para 75](#))

Cases Referred :

1. Farbwerke Hoechst Aktiengesellschaft, Vormals Meister Lucius & Bruning, a Corporation etc. v. Unichem Laboratories and Ors., AIR 1969 Bombay 255 ([Para 15](#))
2. Raj Prakash v. Mangat Ram Chowdhry and Ors., AIR 1978 Delhi 1 ([Para 16](#)) 1 & 2 Relied and Considered.
3. Mahesh Gupta & Anr. v. Tej Singh Yadav & Anr., 2009(41) PTC 109 (Del.) ([Para 17](#))
4. F. Hoffmann-La Roche Ltd. & Anr. v. Matrix Laboratories Ltd. 2011 (45) PTC 570 (Mad.) ([Para 18](#))
5. M/s. Bishwanath Prasad Radhey Shyam v. Hindustan Metal Industries, (1979) 2 SCC 511. ([Para 24](#))
6. Garware Wall Ropes Ltd. v. Techfab India and Ors., 2009 (39) PTC 297 Guj.(DB) ([Para 24](#))
7. Cadila Pharmaceuticals Ltd. v. Instacare Laboratories Pvt. Ltd., 2001(21) PTC 472 (Guj.), ([Para 24](#))
8. F. Hoffmann LA Roche Ltd. & Anr. v. Cipla Ltd., 2009(40) PTC 125(Del.)(DB), ([Para 25](#)) 3 to 8 Relied.
9. KSR International Co. v. Teleflex Inc., ET.AL. 550 U.S. SC (2007) 1 ([Para 27](#))
10. Ravinder Kumar Sharma v. State of Assam & Ors., (1999) 7 SCC 435 ([Para 34](#))
11. Anil Kumar Gupta & Ors. v. Municipal Corporation of Delhi and Ors. (2000) 1 SCC 128 ([Para 34](#))

12. Smt. Ganga Bai v. Vijay Kumar and Ors., AIR 1974 SC 1126 ([Para 34](#))
13. American Cyanamid Co. v. Ethicon Ltd., 1975 All. E.R. 504 ([Para 41](#))
14. Mariappan v. A.R. Safiullah & Ors., 2008(38) PTC 341(Mad.) (DB). ([Para 42](#))
15. Gandhimathi Appliances Ltd., Kelambakkam, Kancheepuram District, Tamil Nadu v. L. G. Varadaraju and Ors., 2001(1) CTR 459(Madras)(DB) ([Para 42](#))
16. Strix Ltd. v. Maharaja Appliances Ltd., MIPR 2010(1)181 ([Para 44](#))
17. F. Hoffmann-La Roche Ltd. & Anr. v. Cipla Ltd., 2009 (40) PTC 125(Del.)(DB) ([Para 45](#)) 10 to 17 relied.
18. Commissioner of Central Excise, Bangalore v. Srikumar Agencies and Ors. (2009) 1 SCC 469. ([Para 46](#))
19. Garware Wall Ropes Ltd. v. Techfab India & Ors., 2009 (39) PTC 297(Guj.)(DB) ([Para 46](#))
20. Ajay Industrial Corporation v. Shiro Kanao of Ibaraki City, AIR 1983 SC 496 ([Para 47](#)) 19 & 20 observed.
21. James Lewis Kraft v. Oliver Kenneth Mcanulty (1931) 34 LW 923 ([Para 47](#)) Relied.
22. Smith v. Grigg Ltd., [1924] 1 K. B. 655. ([Para 68](#)).

Appearances :

Appeal From Order No. 230 of 2011

Mr. K. S. Nanavati, Sr. Advocate, Mr. Mihir H. Joshi, Sr. Advocate, With Mr. U. D. Shukla With Pranit K. Nanavati With Maulik R. Shah For Nanavati Associates For Appellant : 1,
Mr. Kamal Trivedi, Advocate General, With Mr. H. S. Tolia, With Mr. Tejas S. Trivedi For Respondents : 1 - 2.

Special Civil Application No. 7989 of 2011

Mr. Kamal Trivedi, Advocate General, With Mr. H. S. Tolia, With Mr. Tejas S. Trivedi For Petitioners : 1 - 2.

Mr. K. S. Nanavati, Sr. Advocate, Mr. Mihir H. Joshi, Sr. Advocate, With Mr. U. D. Shukla With Pranit K. Nanavati With Maulik R. Shah For Nanavati Associates For Respondent : 1

PER : MR. RAJESH H. SHUKLA, J.:-

1. The present Appeal from Order has been filed by the appellant-original plaintiff with the aforesaid Civil Application for the prayer that the impugned order dated 10.6.2011 passed by the learned Principal Judge, Anand, below Exh. 5 in Civil Suit No. 3 of 2011, may be quashed and set aside particularly with reference to the findings with regard to the patent of the appellant-plaintiff stating that the appellant's rights of patentee were not infringed; the process of making bales by the respondents is not the same as the appellant's patented process, and the appellant had no prima facie case, on the grounds set out in

the Memo of this Appeal, inter alia, that the learned Judge has erred in not taking into consideration the fact that by virtue of the grant of patent which is registered, the appellant is entitled to exclusive right to prevent third parties from using such process which has been a registered patent by the appellant. Further, it is contended that the fact that the patent is registered after proper scrutiny, prima facie suggests that it is registered after proper inquiry. It is also contended that the learned Judge has erred in not taking into consideration unessential features in the process and has considered minor variation in the process and thereby erred in coming to the conclusion. Further, it is contended that he has also erred in not appreciating that the appellant has a prima facie case and registration of patent itself would be sufficient for prima facie case which has not been considered or appreciated.

2.

The respondents in Appeal from Order No. 230 of 2011 have filed Special Civil Application No. 7989 of 2011 under Art. 227 of the Constitution of India and Code of Civil Procedure of the prayer that appropriate writ, order or direction may be issued quashing and setting aside the reasons and findings contained in the order passed by the learned Principal District Judge, Anand in Civil Suit No. 3 of 2011 below Exh. 5 dated 10.6.2011 and also for the prayer regarding stay of operation and implementation of the order for the reasons and findings given in the said order below Exh. 5 in Civil Suit No. 3 of 2011 to the extent of holding that the patent of the plaintiff is prima facie valid for the grounds mentioned in the memo of petition, inter alia, that the learned Judge has completely ignored the provisions of the Act. It is also contended that the learned Judge has failed to appreciate the report of Mogambo Solutions as it clearly refers "does not constitute a legal opinion of any kind or nature as to any aspect of the present invention. Users who wish a legal opinion as to the patentability of any invention or the validity or enforceability of any patent are invited to obtain legal Counsel for this purpose." It is, therefore, contended that even the report of Mogambo Solutions cannot be said to be any legal or authentic opinion. Further, referring to the steps, contentions have been raised that some of the patents which have been registered in U.S. are compared and the contentions have been raised regarding the steps in the process that even as per such reports, steps are only of aligning the cloth and the walls of the cloth bag and sewing the same which is a known method. Therefore, it is contended that the learned Judge has not given any finding and ignored the ancient and traditional method of preparing tobacco bales. It is also contended that the provisions of Sec. 10 of the New Patent Act are not appreciated and therefore a separate petition has been filed before the Appeal from Order could be preferred.

3.

As the parties and the issues involved in the Appeal from Order as well as the Special Civil Application are common, both the matters are heard and disposed of together by this common judgment.

4.

The facts of the case, briefly stated, are that the appellant-original plaintiff, in order to improve the quality of tobacco leaves packed in bales for the purpose of shipment, had arrived at a novel and inventive method of packaging tobacco leaves/bales that maintains the quality of the tobacco leaves in packaged condition during transit, for which a patent has been registered and granted on December 1.8,2008.

5.

It is the case of the appellant-original plaintiff that his rights as a patentee for exclusive use of the patented process has been infringed and/or violated by the respondents by carrying out similar process for packaging tobacco leaves in bales and therefore he filed a suit with an application for injunction Exh. 5 which has been rejected by the impugned order dated 10.6.2011. It has also been contended that the patent has been granted to the appellant-original plaintiff after scrutiny and examination and the rights granted in the said patent are for a limited period, and if it is not protected during the term of the patented period, it would cause prejudice to the appellant-plaintiff by the time the suit is finally decided and, therefore, the injunction ought to have been granted.

6.

Learned Sr. Counsel Mr. K. S. Nanavati appearing with learned Counsel Mr. U. D. Shukla has made the submission that the appellant-original plaintiff has been granted the patent after proper scrutiny and examination and therefore has a right against infringement. He submitted that the process of the appellant-plaintiff has been patented is not in dispute and the same has been discussed in detail with regard to the steps/integers for the process in the impugned judgment, and if the same is not protected, it would cause prejudice which has not been appreciated by the Court below.

7. For that purpose, learned Sr. Counsel Mr. Nanavati has pointedly referred to the impugned order and submitted that the learned Judge has accepted that the patent is valid and has proceeded to consider the difference in the process of the appellant-plaintiff and the respondents-defendants, but failed to appreciate that a slight modification would not be sufficient to escape the injunction. For that purpose, the details of the steps and the procedure of both have been specifically referred to and submitted that the entire process is divided into different steps and it has been considered by the two experts for

which the report has been submitted, one is by M/s. Mogambo Solutions and another report by M/s. Brain League IP Services Pvt. Ltd.

8.

Learned Sr. Counsel Mr. Nanavati also referred to the reports to emphasise about the process and submitted that after proper verification and examination of all technical aspects, the patent has been granted and it has been specifically stated that the steps of placing a flexible bag over the bale and covering the flexible bag (and bale) with Hessian cloth, prior to sewing the cloth, is not found in prior art.

9.

Learned Sr. Counsel Mr. Nanavati has, therefore, referred to the provisions of the Patent Act, 1970 (hereinafter referred to as 'the New Patent Act') referring to Sec. 2(j) which defines "invention" and submitted that it refers to both the product and the process. Similarly, he emphasised the definition of Sec. 2(ja) which defines "inventive step" which reads as under:

"inventive step" means a feature of an invention that involves technical advancement as compared to the existing knowledge or having economic significance or both and that makes the invention not obvious to a person skilled in the art."

10.

Learned Sr. Counsel Mr. Nanavati has also referred to Sec. 104A which refers to the burden of proof in case of suits concerning infringement and submitted that as the patent has been validly granted in favour of the appellant-plaintiff which is not in dispute, by slight variation in the process the respondents cannot escape the infringement. It was strenuously submitted that otherwise the entire provision would be rendered without any meaning.

11.

Learned Sr. Counsel Mr. Nanavati has emphasised that the invention of the appellant-plaintiff involves technical advancement as compared to the existing knowledge or the known prior art which has also economic significance and therefore once the patent is granted in favour of the appellant-plaintiff, and when it is shown that the process of the respondents is almost similar, there is a case for infringement, which would require protection by grant of injunction. He strenuously submitted that what the Court below has done is compare the steps with regard to the process of making bales of tobacco leaves and has, on the basis of that, come to the conclusion about the difference or so-called difference in the steps of the process and has come to the conclusion that

though the patent is validly granted, there is a difference in the process and therefore the injunction has been refused. Learned Sr. Counsel Mr. Nanavati submitted that, in fact, an identical process is used and there is no difference at all in the process of the plaintiff and that of the defendants .

12.

Learned Sr. Counsel Mr. Nanavati, again, pointedly referred to the different steps or integers and submitted that as it is evident, the only difference is with regard to stitching the bales which takes place, and it is noted by the Court that the stitching takes place in case of the plaintiff on the upper part and in case of the respondents at the bottom. However, if it is seen minutely and the giraffe position is upturned, then it would leave hardly any difference.

13.

Learned Sr. Counsel Mr. Nanavati has also referred to the provisions of Sec. 83 and pointedly referred to Sec. 83(c) which reads as under :

"(c) that the protection and enforcement of patent rights contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations."

14.

He, therefore, submitted that the protection and enforcement of the patented rights in fact contribute to promotion of technological innovation and also to mutual advantage of the producers and users of the technology which is ultimately for the economic welfare and good for all. He submitted that if the invention or innovative product or process is not granted any protection, the entire effort and the labour spent by the appellant-plaintiff would be wasted which is not permissible and in fact the law of patent is evolved with the underlying object of granting some kind of protection for a limited period to any new invention or innovative advancement which encourages people when such exclusive right of use of their own labour or invention is granted. He submitted that by making the right limited up to a particular period, a balance is struck between the right of such claim for patent for exclusive right and the public interest or the monopoly.

15.

Learned Sr. Counsel Mr. Nanavati has referred to and relied upon the judgment in the case of ***Farbwerke Hoechst Aktiengesellschaft, Vormals Meister Lucius & Bruning, a Corporation etc. v. Unichem Laboratories and Ors.***,

reported in **AIR 1969 BOMBAY 255**, and submitted that as observed, the Court has considered what would amount to inventive step and submitted that there is no presumption in favour of the patent even though it is granted and registered. This judgment has observed that weightage has to be given to the fact that after proper scrutiny the patent has been registered, and by virtue of such grant of patent the right has accrued to protect such patent. He therefore submitted that the whole claim should be read first and while considering an application for infringement of the patent, what is required to be considered is the whole claim or the process and not some variation here or there with some minor differences.

16.

Learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla have also referred to and relied upon the judgment in the case of **Raj Prakash v. Mangat Ram Chowdhry and Ors.**, reported in **AIR 1978 Delhi 1**. He pointedly referred to the observations made in para 5 with regard to the process where the observations from the earlier judgment in the case of **F.H. & B Corporation (supra)** has been made and quoted.

"The suit for grant of injunction and claim of infringement was dismissed by the learned single Judge because, according to him, there was no issue on that point. As noticed earlier, an additional issue was framed and the case remanded. This finding was recorded by the learned single Judge by his judgment dated January 27, 1975. In this judgment the learned single Judge notices that by his earlier judgment only part of the claim of the plaintiff had been upheld by him. Our learned brother once again went into the detailed specifications of the patent granted to the plaintiff and came to the conclusion that the specifications showed that the plaintiff only claims as his patent the process for printing photographic films for use in film strip viewers and also in respect of the films made thereby for viewers. He did not claim any patent for a film strip viewer. He rejected an alleged claim made by the plaintiff of patent in the viewers themselves. The learned Judge observed that according to the specifications and descriptions in the patent the plaintiff has a patent restricted to a process for making a film for a film strip viewer. After dilating at great length on various types of frames in diverse types of cameras the learned single Judge took the view that the whole case was one of technique used in film making and processing the films. He again recorded a finding that there was no infringement by the defendants. The validity of the patent this time was upheld on the basis of the technique used by the plaintiff inasmuch as he collected previous well-known processes in a combination."

17.

Further, learned Sr. Counsel Mr. Nanavati has referred to and relied upon the judgment in the case of **Mahesh Gupta & Anr. v. Tej Singh Yadav & Anr.**,

reported in **2009(41) PTC 109 (Del.) and in para 12**, referring to the judgment in the case of Raj Parkash (supra), he has pointedly emphasised the observations,

"...The patented article or where there is a process then the process has to be compared with the infringing article or process to find out whether the patent has been infringed. This is the simplest way and indeed the only sure way to find out whether there is piracy. 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."

18.

Learned Sr. Counsel Mr. Nanavati has also referred to and relied upon the judgment reported in **2011 (45) PTC 570 (Mad.)** in the case of F. **Hoffmann-La Roche Ltd. & Anr. v. Matrix Laboratories Ltd.**

19.

Learned Sr. Counsel and Advocate General Mr. Kamal Trivedi appearing with learned Counsel Mr. H.S. Tolia for the respondents-defendants submitted that the law of patent has been evolved with a view to encourage innovation in technology for economic growth and development. He submitted that the time and sweat for one's effort should be properly compensated and therefore the patent is granted for any such new invention or inventive article or process. He submitted that it presupposes the long effort and spending of time and money for such new invention or new inventive steps. He submitted that though the patent has been registered in favour of the appellant-plaintiff, there is no such material or evidence to show as to what amount of time and sweat or effort is made in so-called new inventive step or technological advancement in the process. He submitted that it is a mixed question of law and facts which could be decided only at the trial, and he pointedly referred to the judgments which have been referred to and relied upon by learned Sr. Counsel Mr. Nanavati and Mr. Shukla to emphasise that those judgments have been with reference to the earlier Patent Act, 1911 (hereinafter referred to as 'the Old Patent Act'), whereas much water has flown thereafter and there is a new Act, i.e., Patent Act, 1970 (hereinafter referred to as 'the New Patent Act'), which has been brought about with drastic changes in the laws. For that purpose, he pointedly referred to the scheme of the New Patent Act and submitted that it is also required to be considered that it has a difference so far as the Trade Mark Act is concerned, inasmuch as there is no presumption like in the case of the Trade Mark Act in favour of the registered trade mark.

20.

Learned Sr. Counsel and Advocate General Mr. Trivedi, therefore, submitted that there is a basic difference and the law of patent does not provide for any such presumption in favour of the patentee merely because the patent is registered because even though it may have been registered, the new technology and innovation have to be permitted and unless the person shows some innovation, the patent is liable to be revoked when the objections are filed which could be considered.

21.

He also pointedly referred to the scheme of the New Patent Act and submitted that validity and vulnerability of the patent are two different aspects. He strenuously submitted that the validity is one aspect and the Court is not required to consider at the interim stage while deciding an application below Exh. 5 only the validity aspect with reference to the objections, but is also required to consider vulnerability of the registered patent. He emphasised and submitted that if, from the material, it is pointed out that the patent registered is vulnerable, it is sufficient for refusing any injunction even though the patent is registered.

22.

For that purpose, learned Sr. Counsel and Advocate General Mr. Trivedi referred to Sec. 64 of the New Patent Act and submitted that it confirms that the grounds for revocation of the patent were not there in the Old Patent Act. He pointedly referred to Sec. 64(d), (e) and (f), and submitted that it provides these grounds that complete specification is not new or it is not an invention and the complete specification is obvious or does not involve any inventive step, meaning thereby, unless it is pointed out that there is a new invention in the process, such packaging of tobacco leaves in bales is known to all and therefore it is not a prior art since long. He submitted that the plaintiff is not undertaking any process which was not there or which was not in existence before. Learned Sr. Counsel and Advocate General Mr. Trivedi submitted that placing of tobacco leaves in a particular manner for the purpose of making it in bales for transportation is common and in fact both the plaintiff and the defendants and many others are using the same machine manufactured by the same manufacturer, i.e. M/s. M. Govind & Sons, and therefore the claim for the patent itself is not maintainable.

23.

Learned Sr. Counsel and Advocate General Mr. Trivedi also submitted that the claim of complete specification is so obvious and does not involve any inventive step and therefore an exclusive right cannot be claimed. He submitted that this process for which the patent has been claimed is so obvious, particularly when all persons are using for years the same method of packaging tobacco leaves for

transportation and when there is no evidence with regard to any inventive step or any research being carried out, it hardly makes out any case for the patent.

24.

In support of the submissions, Learned Sr. Counsel and Advocate General Mr. Trivedi has referred to and relied upon the judgment in the case of **M/s. Bishwanath Prasad Radhey Shyam v. Hindustan Metal Industries**, reported in **(1979) 2 SCC 511**, and referring to Para 21 he pointed out that "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." Similarly, he has referred to and relied upon the judgment reported in **2009 (39) PTC 297 Guj.(DB)** in the case of **Garware Wall Ropes Ltd. v. Techfab India and Ors.**, and referred to paras 16, 21, 27, 38. He has also referred to and relied upon the judgment in the case of **Cadila Pharmaceuticals Ltd. v. Instacare Laboratories Pvt. Ltd.**, reported in **2001(21) PTC 472 (Guj.)**, Para 12.

25.

Learned Advocate General Mr. Trivedi has also referred to and relied upon the judgment in the case of **F. Hoffmann LA Roche Ltd. & Anr. v. Cipla Ltd.**, reported in **2009(40) PTC 125(Del.) (DB)**, and submitted that this judgment of the Division Bench has considered the judgment in the case of **Raj Prakash (supra)**, which is a single Judge judgment, and in para 49-51 it is clearly stated with regard to the presumption of validity of the patent and has also discussed about the vulnerability and validity of the patent. He has also referred to para 55 and 66 for emphasising his submission with regard to inventiveness and the obviousness and submitted that the appellant-plaintiff has failed to show anything inventive and the process is so obvious, known to all for years, and therefore, again he referred to the provisions of the New Patent Act and emphasised the definition of the term "inventive step" in Sec. 2(ja). He strenuously submitted that it provides that "inventive step means a feature of an invention that involves technical advance as compared to the existing knowledge or having economic significance or both and that makes the invention not obvious to a person skilled in the art." (emphasis supplied)

26.

Emphasising this later part he submitted that the word used is **and** which provides that it has to be over and above the aforesaid two aspects that invention should not be obvious to a person skilled in the art, meaning thereby, it has to be so novel that even a person skilled in the art has to find it something new and not to a layman. Therefore, learned Sr. Counsel and Advocate General Mr. Trivedi submitted that it has to be so distinct and new inventive step that a person who is skilled in the art also should find it novel and not very obvious. He has also referred to the judgment in detail.

27.

Similarly, learned Sr. Counsel and Advocate General Mr. Trivedi has referred to the judgment in the case of ***KSR International Co. v. Teleflex Inc.***, reported in ***ET.AL. 550 U.S. SC(2007) 1***, and submitted that whether the trial Court is concerned with vulnerability and not validity is to be considered. He submitted that validity of patent is to be decided at the trial on the basis of evidence, but at the interlocutory stage vulnerability is required to be seen and it is for the defendants to raise the triable issue making the patent vulnerable and injunction cannot be granted. He pointedly referred to the observations and submitted that the appellant plaintiff has to show a strong prima facie case and not only a prima facie case for grant of injunction. Again, he has referred to the definitions of "invention" and "inventive step" as well as Sec. 3 of the New Patent Act and referring to Sec. 3 he submitted that the claim and specification have to be read as a whole and also with reference to Sec. 25 and 64 of the New Patent Act he submitted that the definition of 'obvious' as provided in Black's Law Dictionary is,

"Obvious

. Easily discovered, seen, or understood; readily perceived by the eye or the intellect; plain; patent; apparent; evident; clear; manifest.

Whether a patent is "obvious" must be determined by considering the scope and content of the prior art, the differences between the prior art and the claims at issue and the level of ordinary skill in the pertinent art."

Similarly, 'anticipation' is defined as under :

"Anticipation. Act of doing or taking a thing before its proper time. To do, take up, or deal with before another; to preclude or prevent by prior action; to be before in doing.

In patent law, an invention is anticipated by prior art when the invention is not new or lacks novelty over that art."

Therefore, 'obvious' has a reference to novelty.

28.

He also tried to refer to the provisions of the Old Patent Act and the New Patent Act and to submit about the difference that, earlier there were no grounds of revocation of the patent, whereas the New Patent Act is much different particularly in light of Sec. 64 and he strenuously submitted that no such grounds were there in the Old Patent Act.

29.

Learned Sr. Counsel and Advocate General Mr. Trivedi referred to the Mogambo's Report as well as report of the Brain League and submitted that in fact the reports cannot be called a report, but it is like a title search with regard to patents registered elsewhere. He strenuously submitted that the claim of the appellant plaintiff cannot be accepted with regard to any new inventive step or advancement on the ground that as per these reports there are number of patents already registered in U.S. and if it is not any inventive or new steps while considering the process as a whole, the patent could not be said to be valid. If with different steps or integers it is a new process, then the argument about modification or change in the process by the defendants cannot be denied and it cannot be disputed. In that case, even with a slight change in the process, the appellant plaintiff cannot claim any injunction as there is no identical process. He strenuously submitted that the process of the defendants is different and it is not even the case of the appellant plaintiff that it is identical and therefore there is no substance in the submissions made with regard to any infringement of the registered patent. However, he submitted that for deciding this aspect a substantive petition has been filed as stated above under Art. 226 and 227 of the Constitution of India and therefore the Court is required to consider the issue at this interim stage on the basis of the material.

30.

Learned Sr. Counsel and Advocate General Mr. Trivedi submitted that for the purpose the patent which has been registered taking at its best all the material which they have placed on record is the two reports of Mogambo Solutions and Brain League and both the reports if considered closely do not say in the same terms. As discussed in the report of Mogambo Solutions with regard to the steps involved in the process and the steps which have been referred to in another report of Brain League, the steps or integers are not tallying and there is only one step or integer which is common.

31.

Therefore, according to their own evidence, when the two so-called experts have also given that other two steps are already covered by other patent, only one step is left out, meaning thereby there is no technical advancement or inventive step and therefore even by the evidence of the appellant plaintiff, no case is made out and the impugned judgment and order is just and proper, though for some of the reasoning and observation with regard to the validity of the patent, a separate substantive petition is filed to challenge that, which is maintainable.

32.

Learned Sr. Counsel and Advocate General Mr. Trivedi submitted that both the plaintiff and defendants are neighbours and the defendants are in the line since 1955 and they both are making use of the same machine manufactured by the same Company, namely, M. Govind & Sons, and the same machine is used also by many others and therefore it cannot be said that there is any new inventive step and what is used is the same machine manufactured by M/s. M. Govind & Sons which has manufactured a hydraulic machine since 1964. He emphasised that this machine is used by all for the purpose of pressing the bales and unless it could be shown by any evidence that a different process is applied, it cannot be said to be an inventive step. Therefore, as the appellant plaintiff has not come out with any material with regard to any kind of research or amount spent for research or effort made or any new inventive step which was not known earlier to the person skilled in that art, and it is not shown that it is not so obvious to a person skilled in the art and since years people have been making bales in the same way, there is hardly any case for the appellant-plaintiff.

33.

He has also referred to the impugned order and the rival contentions and the discussions made and submitted that though the injunction is vacated, the learned Judge has made observations with regard to the validity, accepting it without considering the scheme of the Act and therefore the same has been challenged on the very ground that it is so obvious and there is no novelty or inventive step for the purpose of grant of patent which is a separate issue. Again, he submitted that the findings and discussions by the learned Judge are not based on sound reading and for that he pointedly referred to para 12 and 17 and submitted that the observations are diametrically opposite.

34.

In support of his submission, again Learned Sr. Counsel and Advocate General Mr. Trivedi has referred to and relied upon the judgment in the case of **Ravinder Kumar Sharma v. State of Assam & Ors.**, reported in **(1999) 7 SCC 435**, para 11 and 23, with regard to O. 41 R. 22 and also the judgment reported in **(2000) 1 SCC 128** in the case of **Anil Kumar Gupta & Ors. v. Municipal Corporation of Delhi and Ors.** (para 17). He has also referred to and relied upon the judgment reported in **AIR 1992 Gujarat 22**. He submitted that as no appeal was preferred, cross-objections could not be filed and as stated above, Special Civil Application No. 7989 of 2011 has been filed challenging the observations and the findings or reasoning which are against the provision. However, subsequently when Appeal from Order is filed in the High Court, reply has been filed and therefore it is not necessary that cross-objection has to be there on record and he also referred to and relied upon the judgment in the case of **Smt. Ganga Bai v. Vijay Kumar and Ors.**, reported in **AIR 1974 SC 1126**, in support of his submission.

35.

Learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla, in rejoinder, have stated, referring to Special Civil Application No. 7989 of 2011 filed by the respondents/defendants that though the Special Civil Application is filed challenging the findings and the observations in the order, the Court may have to consider the scope of such petition under Art. 227 of the Constitution of India which is narrow. It was submitted that even if such petition is maintainable, the scope of such petition Art. 227 is very limited. It was submitted that such a petition would be maintainable and discretion under Art. 227 could be exercised for correction of the error which is apparent on the face of the record or some obvious error in application of law, but it would not be maintainable for correcting the order passed by the trial Court based on material and evidence. It was therefore submitted that the Court may, while examining the petition with regard to the prayer, may consider this aspect.

36.

Learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla have submitted that though it has been sought to be canvassed that the New Patent Act has moved away from the Old Patent Act and therefore the judgments which have been cited by the appellant plaintiff are not applicable or are likely to create confusion as much water has flown, is not correct. Though it has been emphasised that as if there was no concept of obviousness till the New Patent Act was enacted and introduced, the Court is required to consider about this submission and the judgments which have been referred to have also focused on this very concept of obviousness, which has also considered this, and therefore it is not a departure or a new concept which can be said to have been developed. They have referred to the Book on Patent by Narain and submitted that this concept of obviousness is not a new thing introduced in the New Patent Act as it was already there, but it has been now more focused with the change in scenario after globalisation and liberalisation.

37.

The learned Counsel have submitted that another facet of the argument which has been much emphasised referring to the basic difference in the Patent Act and the Trade Mark Act, that there is no presumption about the validity of the patent which is registered, the question which would arise is, what is the value of a patent and the purpose of registration if it has no such value or significance.

38.

Therefore, again referring to the concept of obviousness, it was submitted that it has three-fold consideration :

- (a) advancement of known prior art;
- (b) advancement of technology which is also considered as a new invention;
- (c) economic significance.

Again, a reference is made to the definition as provided in Sec. 2(j) about 'invention' and Sec. 2(ja) about 'inventive step'.

39.

Learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla have further submitted that what is the criteria which are required to be followed for the purpose of a valid patent and it is required to be noted that it is considered with reference to the 'inventive step' as provided in Sec. 2(ja) as to whether

1. it has feature of an invention that involves technical advance as compared to the existing knowledge, or

i. has some economic significance.

Therefore, once the patent is registered, though there may not be any presumption of such validity, still, it must carry weight as it is granted by a competent Authority under the statute. It was strenuously submitted that otherwise in any or every proceeding it would remain challenged and virtually the patentee will not have any right.

40.

Learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla next submitted that what has been submitted by learned Advocate General Mr. Trivedi for the other side is the difference between the validity and the vulnerability and has tried to submit that at the interim stage what is required to be considered is "vulnerability" and once it is pointed out that it is vulnerable, meaning thereby, it is open under the New Patent Act for challenge and registration of the patent loses its significance, is an over simplification of the entire issue.

41.

In support of the submissions, they have referred to and relied upon the judgment reported in the case of ***American Cyanamid Co. v. Ethicon Ltd.***, reported in ***1975 All. E.R. 504***, and pointedly referred to the observations

made at page 321 to support the submission that like in every case, once a case is made out prima facie and when the patent has been registered, it has to be considered with weightage and the injunction must follow. It has been observed,

"In my view the grant of interlocutory injunctions in actions for infringement of patents is governed by the same principle as in other actions....

My Lords, when an application for an interlocutory injunction to restrain a defendant from doing acts alleged to be in violation of the plaintiff's legal right is made upon contested facts, the decision whether or not to grant an interlocutory injunction has to be taken at a time when ex hypothesi the existence of the right or the violation of it, or both, is uncertain and will remain uncertain until final judgment is given in the action. It was to mitigate the risk of injustice to the plaintiff during the period before that uncertainty could be resolved that the practice arose of granting him relief by way of interlocutory injunction; but since the middle of the 19th century this has been made subject to his undertaking to pay damages to the defendant for any loss sustained by reason of the injunction if it should be held at the trial that the plaintiff had not been entitled to restrain the defendant from doing what he was threatening to do. The object of the interlocutory injunction is to protect the plaintiff against injury by violation of his right for which he could not be adequately compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial; but the plaintiff's need for such protection must be weighed against the corresponding need of the defendant to be protected against injury resulting from his having been prevented from exercising his own legal rights for which he could not be adequately compensated....The Court must weigh one need against another and determine where "the balance of convenience" lies."

It was submitted that, therefore, if there is a prima facie case, or a strong prima facie case, suggested or made out, the injunction must follow.

42.

Reliance is also placed upon the judgment in the case of ***Mariappan v. A.R. Safiullah & Ors.***, reported in **2008(38) PTC 341(Mad.) (DB)**. The learned Counsel have also referred to and relied upon the judgment in the case of ***Gandhimathi Appliances Ltd., Kelambakkam, Kancheepuram District, Tamil Nadu v. L.G. Varadaraju and Ors.***, reported in **2001(1) CTR 459(Madras)(DB)**, where the reliance has been placed extensively on the observations made in support of the submission particularly with reference to the observations made and quoted in para 18 & 19 which in turn has a reference to the earlier judgment of Hon'ble Apex Court in the case of ***Bishwanath Prasad (supra)*** and also in para 21, 22, 27 & 38. Much reliance is placed on the observations in para 31-A which has been pointedly focused,

"Despite this pre-existing state of knowledge, it was the plaintiffs, who were the first to visualise the use of the known integers in a combination which enabled the manufacture of a portable wet grinder, which could conveniently be used on top of the table inside the kitchen. Such improvement clearly required the use of ingenuity and skill in adopting the known principles and known devices for a special application viz., wet grinding in a convenient device in the Indian household kitchen, wherein, wet grinding is almost an essential part of the normal process of preparation of food."

43.

Therefore, learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla submitted referring to some of the observations in this judgment that the fact that the appellant holds the patent is a factor to be taken note of while considering the plaintiff's right to interlocutory injunction and that itself establishes a prima facie case for the purpose of injunction. It was strongly submitted that it is easy to say that it was obvious, but it is the ingenuity or visualisation for the use and applicability which is novel and which cannot be said to be too obvious and therefore the patent held by the appellant plaintiff once registered carries weight for the purpose of prima facie case and injunction. It was submitted that injunction cannot be refused merely because somebody claims that they have some defence or they have objection to the validity on certain grounds which could be considered based on the evidence at a later stage.

44.

Learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla also referred to the judgment of the High Court of Delhi in the case of **Strix Ltd. v. Maharaja Appliances Ltd.**, reported in **MIPR2010(1)181 (Coram: s. Muralidhar, J.)**, and they have emphasised the observations in Para 22 and 23 which reads as under :

"...that the defendant alleging invalidity has to establish that there is "a serious question" to be tried and the onus lies on the defendant."

The following observations which have been quoted has been emphasised:

"In *Hexal Australia Pty. Ltd. v. Roche Therapeutics Inc.*, 66 IPR 325, it was held that where the validity of a patent is raised in interlocutory proceedings, "the onus lies on the party asserting invalidity to show that want of validity is a triable question."

Again, referring to para 23 and the observations it was emphasised,

"...The Defendant will have to place on record some scientific literature supported by some credible expert opinion to show even prima facie that the Defendant's product is a mere re-arrangement of already known products. This burden has not been discharged by the Defendant."

Therefore, it was submitted that when the defendants challenge the patent or its validity, the burden lies on the defendant to show that there is a "serious question" to be tried.

45.

Learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla have also referred to the judgment in the case of **F. Hoffmann-La Roche Ltd. & Anr. v. Cipla Ltd.**, reported in **2009 (40) PTC 125(Del.)(DB)**, and they have made extensive reference to the observations made in this judgment which was relied upon by learned Advocate General Mr. Trivedi and submitted that as observed in para 55 these aspects have been considered. It was submitted that the challenge has to be both strong and credible and the defendants resisting grant of injunction by challenging the validity of the patent has to show that the patent is vulnerable and the challenge raises a serious substantial question and a triable issue. They have stated that in the facts of the present case, though no presumption can be made, once the patent is granted as regards its validity, nevertheless, it should carry some weight and the burden lies heavily on the defendants who challenge the same and have to show the aforesaid criteria - a serious substantial question and a triable issue - to escape injunction.

46.

A reference is also made to the observations made by the Hon'ble Apex Court in a judgment in the case of **Commissioner of Central Excise, Bangalore v. Srikumar Agencies and Ors.**, reported in **(2009) 1 SCC 469**. A reference has also been made to the judgment in the case of **Garware Wall Ropes Ltd. v. Techfab India & Ors.**, reported in **2009 (39) PTC 297(Guj.)(DB)**, relied on by learned Advocate General Mr. Trivedi, and submitted that there the defendant raised credible issues by expert evidence which is not the case herein. Learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla have therefore again referred to the steps with regard to the comparative process of the appellant and the respondents and submitted that the few steps or integers would make difference in the process and it can be a novel idea which could have economic significance and therefore the expert opinion of Mogambo Solutions and Brain League have referred to this aspect. It was submitted that though the report has been criticized that it is not an experts' opinion and it is like a title search report with regard to the number of registered patents, it has been minutely examined and considering the prior knowledge or art, the process of the appellant plaintiff has been granted a patent. It was strenuously submitted by

learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla as to what evidence is produced by the defendants to challenge such report and merely raising contentions in an affidavit without any corroborative supporting material by itself is not sufficient to brush aside such reports and the burden of proof is not discharged. Therefore, both learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla have submitted that the Court may consider this aspect while considering the injunction and the prima facie case.

47.

They have referred to and relied upon the judgment in the case of ***Ajay Industrial Corporation v. Shiro Kanao of Ibaraki City***, reported in ***AIR 1983 SC 496***, and submitted that in that case also the machine used by the manufacturers was identical and still it was considered and therefore the submission that same machine is used by number of persons is not a ground to refuse injunction. They have also referred to and relied upon the judgment reported in ***(1931) 34 LW 923*** in the case of ***James Lewis Kraft v. Oliver Kenneth Mcanulty***.

48.

Learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla have also submitted referring to Sec. 2(j) of the New Act. They pointedly referred to the definition "inventive step" provided in Sec. 2(ja) and submitted that the Court is required to consider whether there is any inventive step. It was submitted by the learned Counsel that it is not necessary that there should be a technological advancement or totally new or different process, but with some amount of ingenuity, if different process is evolved which is patented, it has to be considered prima facie as a valid patent and unless the defendants raise a triable issue or serious question by some evidence, it cannot be brushed aside. They submitted that the process has two aspects, (a) self-life and (b) space which has been utilized for the purpose of packing the leaves in a bale. It was submitted that since it is transported and exported, the amount of space which is occupied is less than the conventional method used which also improves the self life of the leaves packed therein, it is a technological advancement leading to economic significance. They also referred to Mogambo's Report and submitted that if integers or the steps have been distinct, then, it is a separate process which requires protection and Mogambo's report is evidence for such new technological advancement as well as economic significance. They therefore strenuously submitted that whether it could be said to be so obvious that there is no innovation or novelty, and even after it has been registered by the competent Authority as a patent, it should not carry any weight, is a question which the Court may consider.

49.

Learned Sr. Counsel and Advocate General Mr. Trivedi, in reply to the submissions made by the learned Counsel for the appellant-plaintiff, submitted that he would again emphasise and reiterate, without any repetition, the distinction between vulnerability and validity of a patent. He again submitted, referring to Black's Law Dictionary the meaning of 'vulnerability' that it means open to challenge and what the defendant is required to point out is that the patent in respect of which the claim is made is so obvious with the prior knowledge that it does not have any novelty. He submitted that much has been said about no evidence or expert opinion by the defendants and discharge of onus by the defendants, the respondents herein, but he submitted that the plaintiff has to first establish even a prima facie case and the very basic requirement for the grant of patent. He emphasised the underlying object of the New Patent Act and submitted that what has been intended is to encourage technological advancement and not a situation where nobody can claim without any new invention or technological advancement. It was submitted that in this case, the plaintiff has not shown how the sweat and labour has been spent on any research and what it is so novel or inventive that it can be called 'inventive step' covered under Sec. 2(ja) of the New Act.

50.

He pointedly referred to Sec. 2(j) and submitted that it has reference to (i) technical advance as compared to existing knowledge, (ii) economic significance and most important is that it further provides the adjunctive 'and' that makes the invention not obvious to a person skilled in the art, meaning thereby, it has to be so novel that it is not so obvious to a person skilled in that particular art, apart from a layman. It was submitted that in the facts of the present case, there is no such evidence and apart from the person skilled in the art, even a layman can say, and in fact, on their own evidence it is an admitted fact that it is a prior art or knowledge with regard to packing tobacco leaves in bales by all traders and manufacturers coupled with the fact that if the whole claim is not to be read, with a separate step or integers which makes it so different, then again, the so-called expert opinion of Mogambo referred to by the appellant is self-contradictory as Mogambo's report has stated, "cited below is patent prior art related to method for making a package containing a compressed bale of tobacco leaves", meaning thereby, they are not *ad idem* and there is only one step for which they agree about the fact that it is different and has no prior knowledge. It was submitted that this itself is a sufficient ground based on their own evidence to challenge the patent at least contending about the vulnerability of the patent that it is a serious question or a triable issue which has been raised.

51.

Learned Sr. Counsel and Advocate General Mr. Trivedi submitted that on the one hand the submission is made that the whole of the claim may be read and

on the other reference is made to every single step which again do not find everything in common in two experts opinion relied upon by the appellant himself, and if different steps or integers are considered, admittedly, as stated in Mogambo's report, there are patents which have been registered with slight modification and for the same process with similar steps the patents have been registered. Therefore, when there is a specific plea or contention by the defendants that the process of the defendants-respondents is not the same or identical with that claimed by the appellant-plaintiff, at this stage, the conclusion cannot be arrived at to brush aside the defence raised as it would be prejudging the issue without any evidence merely on the say of the appellant-plaintiff. He emphasised and submitted that the burden of the defendants is not that heavy as it is sought to be canvassed in light of the specific observations made by the Court in a judgment in the case of **F. Hoffmann-La Roche Ltd. (supra)** and submitted that the **American Cyanamid** case has been referred and also **Biswanath Prasad (supra)** and other judgments have been referred in this judgment and on the contrary there is a specific observation referring to Sec. 34 as well as 64 and 107 of the New Patent Act which provides that it is not possible to raise multiple challenge to the validity of the Patent at various stages. (emphasis supplied). He again emphasised that when there is a specific provision for the challenge at pre-grant and post-grant stage and when there is no presumption with regard to the validity of the patent once it is registered unlike the Trade Mark Act, it would be sufficient to deny injunction and it cannot be without any bearing that the patent is registered.

52.

Learned Sr. Counsel and Advocate General Mr. Trivedi, therefore, stated that the submission made that if the patent which has been registered is not considered or no significance is given to the patent, then what is the meaning of registration of the patent and it would lose its significance, has to be considered in light of the scheme of the new Patent Act.

53.

He pointedly referred to Sec. 64 and the observation made in para 52 in this judgment which reads as under :

"The mere registration of the patent does not guarantee its resistance to subsequent challenges. The challenge can be in the form of a counter claim in a suit on the grounds set out in Section 64."

He emphasised that this has been made with the specific purpose that non-inventions are not passed off as inventions and therefore "it proceeds on the footing that inventions are essentially for public benefit and non-inventions should not pass off as inventions" granting any monopoly right.

54.

Therefore, he submitted that what is required to be considered at this stage is whether the contentions raised make out a triable issue or a serious substantial question making the patent vulnerable and the Court has to consider the case on material and evidence like in any other case. He submitted that reliance is placed by the learned Counsel for the appellant-plaintiff on the observations made in the case of **Raj Parkash** (supra), which is a single Judge judgment, whereas these observations are by the Division Bench of the Delhi High Court. Similarly, the observations made by the Gujarat High Court in a judgment in the case of **Hind Mosaic and Cement Works and Anr. v. Shree Sahjanand Trading Corpn.**, reported in **2008 (37) PTC 128(Guj.) (DB) (supra)**, are required to be considered and he submitted that this High Court has considered the difference between 'anticipation' and 'obviousness'. He has also submitted that this matter was carried to the Hon'ble Apex Court and it was remanded back. However, the case of **American Cyanamid (supra)** was relied on, but much water has flown since and there is a subsequent judgment of the U.S. Supreme Court in the case of **KSR International Co. v. Teleflex Inc.**, wherein the **American Cyanamid** case has been referred to and discussed and the ratio therein has not been accepted.

55.

Therefore, learned Sr. Counsel and Advocate General Mr. Trivedi submitted that as observed by the U.S. Supreme Court, it would stifle the progress which has been quoted in the last para of the judgment, or the **American Cyanamid Case (supra)** cannot be said to be a good law any longer and it is based on the judgment by the U.S. Supreme Court the very circular has been issued by the Department of Commerce, to which he pointedly referred.

56.

Therefore, he submitted that the Court is required to consider that the judgment which has been pressed in service in the circular issued by the Department of Commerce there are observations to the judgment of the Division Bench of the High Court. There is a later judgment of the Division Bench of the Madras High Court and coupled with the fact that there is Gujarat High Court judgment and the entire thrust or the law based on **American Cyanamid (supra)** is now no longer a good law in light of the subsequent U.S. Supreme Court judgment in the case of **KSR International (supra)**. The submissions which have been made relying upon the judgments will not have much bearing, particularly when the case of the respondents has been that the two processes are not identical and serious disputes are raised based on prior knowledge or art or the obviousness which require a detailed examination of evidence and there is total lack of evidence with regard to any research or time and amount spent by so-called inventive step fulfilling the

requirement of Sec. 2(ja) of the New Patent Act, the interim injunction which has been refused is just and proper, though the learned Advocate General submitted that the reasons given with regard to validity are not acceptable to the defence and they have challenged the same by way of a separate petition as this Appeal was not filed and in fact in prior point of time the petition has been filed by the respondents challenging the validity as required under the law and therefore that has also to be considered for the purpose of deciding the issue involved in the matter.

57.

In view of rival submissions, it is required to be considered whether the impugned order refusing grant of injunction for protection of the patent with regard to the process for packing bales can be said to be erroneous which would call for interference or not.

58.

The submissions have been made at length by both the sides relying upon every aspect of the matter with the underlying scheme of the Patent Act, 1911 and the Patent Act, 1970 as well as the judgments of various Courts including the Hon'ble Apex Court and the U.S. Supreme Court have been referred and discussed threadbare to highlight and emphasise the particular angle or the aspect. However, it is like the 'Bhagawadgita', which has a different perception and meaning at different levels and one has to consider the dimension which is focused for the purpose of interpreting a particular viewpoint. Therefore, like Bhagawadgita, though it has same utterances, but viewed differently it will have different shades and colour of perception at different stages for a different person which is an attempt for understanding or realizing the perception with a different colour and dimension.

59.

The main focus by learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla for the appellant-plaintiff, on the one hand, is the aspect that the patent has been validly registered by a competent Authority and even in the absence of any presumption as provided under the statute, it has a weightage, otherwise it would lose its significance. Further, to support this, submissions have been made that it is not that the whole process or the packing of bales that is being used by all traders or manufacturers and therefore there is no novelty and the test of fulfillment of the criteria under Sec. 2(ja) which defines 'inventive step' has to be considered. The submissions have been made referring to this aspect that even a small change in applicability or adaptability could be considered a technological advancement or novelty that makes a difference for which much reliance has been placed on the judgment reported

in **Raj Parkash (supra)**. This is also sought to be supported by the reports of two experts, viz. M/s. Mogambo Solutions and Brain League.

60.

On the other hand, the main thrust of the argument made by learned Sr. Counsel and Advocate General Mr. Kamal Trivedi is that there is a marked difference between the Patent Act, 1911 and the Patent Act, 1970 where the whole Sec. 64 has been provided with much emphasis on clauses (d), (e) and (f) and read with Sec. 13(4). Emphasis is also made on clause (q) and it has been submitted that what is required for the 'inventive step' is to fulfill the criteria of technological advancement and economic significance, but it has to be so obvious to a person skilled in that art, meaning thereby, it has to be so novel that it is not known to a person skilled in the art. Further, this has a reference to the aspect of obviousness for the purpose of examining not only the validity, but even the vulnerability as canvassed by learned Advocate General Mr. Trivedi with much emphasis on this aspect is required to be considered. Referring to the observations made in the judgment reported in **F. Hoffmann La Roche (supra)** he submitted that what is required to be considered is the vulnerability at the interim stage, and whether triable issues or serious questions have been raised or not. For that purpose, he pointedly referred to the report by Mogambo and Brain League which are relied upon and produced for the purpose of supporting the patent by the appellant himself and has tried to submit, as recorded hereinabove in detail, that either whole of the claim has to be read, then the process cannot be said to be novel as the same machine is used by many traders or manufacturers and the machine is manufactured by same Company, M/s. M. Govind & Sons, and therefore it would be obvious that it is a common use or process by the same machine used by all.

61.

That leaves another facet that if the same machine is used by all, broadly making the process more or less common, what is the distinct feature in the process or integer or special in the process which makes the process of the appellant-plaintiff patented? There again, admittedly, no research or other details have been shown with regard to any kind of evolution of the process after long research, and what has been referred to is the reports of Mogambo and Brain League, which have been relied upon by both the sides, is required to be considered. In fact, as rightly emphasised by learned Sr. Counsel and Advocate General Mr. Trivedi, for the same process patents are registered in U. S. which makes it a point on his submission that then the whole of the claim is not required to be considered and if the emphasis is on the fact that the steps or integers in the entire process that makes a difference for the purpose of considering the inventive step, then, again on little further scrutiny the two so-called experts have said on different steps differently and there is only one

common step which cannot be said prima facie at this stage to be so novel or inventive step which makes whole lot of difference in the process of making bales using the same machine that would justify the claim for injunction on the ground of infringement of the patent which has been registered.

62.

It is required to be noted at this stage that when the emphasis is given on the aspect that, once the patent is registered even though the statute does not provide for any presumption, merely because the patent is still valid, some weightage has to be given based on some observations which have been recorded hereinabove. The underlying object of the New Patent Act has to be considered and as could be seen from the background of the Objects and Reasons and the other material with regard to the law. The very basis of such a law, on the one hand, is to protect the effort, time, labour and the money spent on research for a novel idea granting such monopoly right for a limited period which in turn will strike a balance with the competitive right of others for a right to carry on business or trade or use the technology and therefore while maintaining balance, the patent is registered, but on the other, it is not an umbrella for claiming any monopoly right by a registered patent even though such a claim could be disputed on the basis of prior knowledge or art and new technological advancement or adaptation. This will again have reference to not only the prior knowledge, technology or adaptation, but what is significant is that the adaptation must be such which makes the new article or process not only of technological advancement and economic significance, but it has to have some novelty, originality, ingenuity in use and adaptation, modification of the technology, article or process resulting in such novelty which is not obvious to a person skilled in the art.

63.

Therefore, the underlying test is whether the invention or inventive step which has been required as defined in the New Patent Act in Sec. 2(j) and 2(ja) fulfills the criteria of the definition or not. In the context of the aforesaid discussion and the evidence which has been discussed hereinabove, particularly with reference to the claim about obviousness and the prior knowledge, and coupled with the fact that there is no material except the reports of Mogambo and Brain League claiming a slight modification or variation in one step or integer making it patentable in spite of the other registered patents, would itself be a ground for considering the fact that if there is a difference in the process with integers or modification and if the processes are not too identical, then, possibly, even after registration of patent of such process could be carried on and in fact there are number of such patents registered in U.S. and still the patent of the appellant-plaintiff is registered is sufficient to consider this aspect for the purpose of examining the claim made by the respondents-defendants. Further, even this difference based on the two experts' opinion requires detailed

scrutiny at the time of trial as there is one common step or integer which is the basis or foundation for registering the patent by the appellant-plaintiff with regard to that particular process.

64.

It is not in dispute that since years the traders and manufacturers have been making bales of tobacco leaves for the purpose of transporting and exporting in their own way and admittedly the machine used is common by one gentleman leaving very limited scope for further deviation or so-called research or ingenious application of the machine and the process for the purpose of packing. However, this could be considered at a later stage.

65.

One more aspect which is required to be considered is the aspect which has been emphasised about vulnerability at the interim stage and whether triable issue or serious question can be said to have been raised with reference to the observations made in the judgment reported in ***F. Hoffmann La Roche (supra)***.

66.

Further, these observations go again to the root of the matter with regard to the details of the process or steps or integers and again it has reference to only one step as stated by the so-called experts' opinion referred to by the appellant-plaintiff himself. Further, as both the sides have referred to the reports of Mogambo Solutions and Brain League, and as it is evident, the integers or steps are not even common and both the opinions have also differences. Further, as rightly emphasised by learned Advocate General Mr. Trivedi that it is not kind of any expert opinion with respect to the process, but they have given a survey or search as to the existence of valid patents and while further analysing the process in question, they have discussed different steps. Further, both have differences with regard to the steps involved and only one step/integer is commonly accepted as a difference, meaning thereby even according to the opinion of the experts relied upon by the appellant-plaintiff, it has not been so demonstrated that the entire process has some ingenuity or novelty on the face of it which a person skilled in the art could accept or understand. It is in this background the submissions made by learned Advocate General Mr. Trivedi are required to be considered and the prayer for injunction which has been declined cannot be said to be erroneous. It is in this background, much emphasis given by the learned Counsel for the appellant-plaintiff, that once the patent is registered by a competent Authority, in absence of any presumption as provided under the statute, unlike the Trade Mark Act, it has to have a weightage for prima facie case and the defendants

have failed to show any triable issue or serious question and grant of injunction for infringement was false, cannot be accepted.

67.

Further, though threadbare discussion relying upon several judgments have been made as recorded hereinabove by both the sides, one more aspect which the Court has to consider is, not only the approach of the Court in India in background of globalisation, liberalisation and the underlying object of the patent for promoting technological advancement and at the same time it should not thwart or stall the progress by registering the patent which would come in the way of common use which are used on common sense or common knowledge. Again, **American Cyanamid case (supra)** has marked difference as observed by the U. S. Supreme Court later on in the case of **KSR International (supra)**, wherein it has been specifically observed as under:

"A separate ground the Court of Appeals gave for reversing the order for summary judgment was the existence of a dispute over an issue of material fact. We disagree with the Court of Appeals on this point as well. To the extent the Court understood the *Graham* approach to exclude the possibility of summary judgment when an expert provides a conclusion affidavit addressing the question of obviousness, it misunderstood the role expert testimony plays in the analysis. In considering summary judgment on that question the district Court can and should take into account expert testimony, which may resolve or keep open certain questions of fact. That is not the end of the issue, however. The ultimate judgment of obviousness is a legal determination. *Graham*, 383 U.S., at 17. Where, as her, the content of the prior art, the scope of the patent claim, and the level of ordinary skill in the art are not in material dispute, and the obviousness of the claim is apparent in light of these factors, summary judgment is appropriate. Nothing in the declarations proffered by Teleflex prevented the District Court from reaching the careful conclusions underlying its order for summary judgment in this case."

....And as progress beginning from higher levels of achievement is expected in the normal course, the results of ordinary innovation are not the subject of exclusive rights under the patent laws. Were it otherwise patents might stifle, rather than promise, the progress of useful arts...."

68. **American Cyanamid**

case (supra) has referred and quoted various judgments and the earlier judgment in the case of **Smith v. Grigg Ltd.**, reported in [1924] 1 K.B. 655 and has observed,

"In my view the grant of interlocutory injunctions in actions for infringement of patents is governed by the same principles as in other actions. I turn to consider what those principles are."

Further, in this case, it has been observed,

"The Court must weigh one need against another and determine where "the balance of convenience" lies."

69.

In further discussion on these aspects about prima facie case as well as balance of convenience and the probability and the submission made with much emphasis by learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla that once prima facie case is shown, the injunction must follow when the patent is registered, is required to be considered in background of the observations made. It is stated that even in **American Cyanamid** case (supra) it has referred to all these judgments and has not given a go-bye to the relevant aspects which are required to be considered as a guideline for the purpose of grant or refusal of injunction, namely, prima facie case, balance of convenience, comparative hardship, etc.

70.

As could be seen from the development in law and particularly with amendment or the new Patent Act which has been enacted to achieve the objects in background of globalization, liberalisation and advancement in the field of technology, the legislature has specifically made the provision in the form of Sec. 64 read with Sec. 107 providing various grounds for the validity aspect which were not there in the earlier law. Moreover, there is a shift in the matter of patent after **American Cyanamid** case which is acceptable even in the U.S. and the Department of Commerce has made a note of it which has been relied upon by learned Advocate General Mr. Trivedi. It reads :

"These guidelines are intended to assist Office personnel to make a proper determination of obviousness under 35 U.S.C. 103, and to provide an appropriate supporting rationale in view of the recent decision by the Supreme Court in *KSR International Co. v. Teleflex Inc. (KSR)*.... Specially, the Supreme Court stated that the Federal Circuit had erred in four ways : (1)...(4) by overemphasizing "the risk of Courts and patent examiners falling prey to hindsight bias" and as a result applying "rigid preventative rules that deny fact finders recourse to common sense."

It is in this background, apart from the shift after the **American Cyanamid** case in the U. S., we are required to address the issue with reference to the patent law in India particularly the New Patent Act which has specifically

provided by virtue of Sec. 64 r/w Sec. 107 the grounds providing for a focus as to the registration of the patent, its validity and even after it is registered it could be challenged or decided on the grounds mentioned so as to promote and advance new innovation and the developments which is again in furtherance of the ultimate object sought to be achieved by the Act. Therefore, it should not have a counter-productive effect if such arguments with regard to the validity of the patent are not to be examined at the threshold once the patent is registered. The registration of the patent is one aspect, but it cannot be put on such a higher pedestal that the statutory provisions like the New Patent Act providing for the grounds enumerated therein may not be considered. Therefore, the submissions made by learned Sr. Counsel Mr. Nanavati and learned Counsel Mr. Shukla that once the patent is registered, even though there is no formal presumption provided under the statute, still, it has to have a weightage while considering an application for injunction much relying on the case of **American Cyanamid** (supra) and other cases, cannot be accepted.

71.

Therefore, while considering the aspect of infringement, test of infringement has various angles. **Halsbury's Laws of England**, Vol. 79, Chapter 8 provides for infringement and the cause of action for infringement. Para 503 refers to 'colourable differences' and it provides,

"It also follows from the rest of infringement that infringement cannot be avoided by differences from what is claimed that are merely colourable, that is, by merely making the infringing manufacture appear to be different. A difference or variant, although small, which results in something simpler than that patented, or leads to a new or significantly improved result, may very well be a material one. It depends on whether the skilled reader would not believe the patentee intended to exclude it from the claim and, if he would realise it, had no material effect on the way the inventive concept of the patent worked."

Therefore, it has to have two aspects - ingenuity and novelty.

72.

Another facet of the whole controversy is about novelty or a novel idea. Learned Sr. Counsel and Advocate General Mr. Trivedi has emphasised on this aspect that there is a total lack of novelty as the leaves have been packed in bales in a routine manner since years and therefore it is a known prior art. Further, his emphasis that all traders or manufacturers use the same machine manufactured by the same person, M/s. Govind & Sons, leaves it hardly a difference or any novelty, is also required to be considered.

73.

As provided in Halsbury's Laws of England, Para 435, referring to the lack of novelty, it clearly states that

'an invention is taken to be new if it does not form part of the state of the art. The state of the art in the case of an invention is taken to comprise all matter (whether a product, a process, information about either, or anything else) which, at any time before the priority date of that invention has been made available to the public...."

Therefore, considering these aspects, the injunction or grant of injunction has to be considered in background of these relevant facts.

74.

A useful reference can be made to Para 538 in Halsbury's Laws of England on the aspect of interlocutory injunction which provide,

"Infringement of a patent may be restrained by interim injunction if the claimant can establish that he has an arguable case on the issues in the proceedings, normally validity and infringement, and that, if the injunction is refused, he will not be adequately compensated by an award of damages at the full trial. If the defendant can establish that, if the injunction is granted and the claimant loses at the full trial, then he will not be adequately compensated by an award of damages, the Court must then consider the balance of convenience."

This aspect has been considered referring to the ***American Cyanamid case (supra)*** and it further refers to the fact that 'the claimant's fear that, unless the defendant is stopped by an injunction, others will be encouraged to infringe is not always a relevant consideration.'

75.

Therefore, the claim is objected and apart from the aspect of validity, vulnerability is suggested by showing grounds provided in Sec. 64 of the New Patent Act with much emphasis that there is a lack of novelty and there is obviousness in the patent claimed and also the grounds of invalidity which specifically include that it is not new and does not involve any inventive steps coupled with the fact that the specification of the patent does not disclose any invention completely establishing that the person skilled in the art also accepts its novelty.

76.

In the facts of the present case, these aspects, as discussed above, clearly suggests and raises the issues which require consideration on the basis of

evidence at the trial and, therefore, like any other case reading injunction, the relevant criteria for grant of injunction have to be considered. The Court below cannot be said to have committed any error, though, while giving the reasons, it might have come to the conclusion with regard to validity or the registration of the Act, but the same could be said to be only preliminary or for prima facie deciding the application, Exh. 5. In other words, such observations with regard to validity can be said to be only to focus on the application, Exh. 5, inasmuch as the validity can be questioned or considered in light of the provisions of the New Patent Act when such contention is raised and therefore it should be considered as not conclusive. It is in this background, the submission made in the Special Civil Application challenging the observations on the aspect of validity have to be construed as only preliminary or prima facie for the purpose of deciding the application, Exh. 5.

77.

Therefore, the ultimate test for the purpose of considering the present appeal is that, while considering such appeal not only prima facie case but other mandatory test applicable in other matters for the purpose of considering the injunction has to be considered like balance of convenience, comparative hardship etc., and if it is considered in light of settled legal position, then, it cannot be said that the present appeal can be entertained as the impugned judgment cannot be said to be erroneous which would call for any interference in the present Appeal from Order.

78.

The present Appeal from Order, therefore, stands dismissed.

79.

In view of the dismissal of the Appeal from Order, the Civil Application would not survive and the same is disposed of accordingly.

80.

In light of the discussion made hereinabove with regard to the detailed discussion on merits of the matter while deciding the Appeal from Order, to avoid any further repetition, the Special Civil Application deserves to be allowed and accordingly stands allowed partly with a clarification that the observations made by the learned Judge may be construed as only for the deciding the application, Exh. 5, and are without prejudice to the rights and contentions of the parties in the proceedings before any other forum and It may not be said to be any conclusive findings on the issue regarding validity of the patent.

FURTHER ORDER

After the judgment was pronounced, learned Advocate Mr. Pranit Nanavati has requested for stay of operation of the order for four weeks to enable his client to approach the higher forum. However, in view of the facts and circumstances, as prima facie the process which has been registered is not disturbed and admittedly the respondents have been carrying on their business also, there is no question of any stay of the operation of the order at this stage. In the circumstances, the request cannot be granted and is declined.

(RRP) (Appeal dismissed)

