Garware-Wall Ropes Ltd. vs Techfab India And 5 Ors. on 25 April, 2008

Equivalent citations: AIR 2008 (NOC) 2415 (GUJ.)

Author: K.A. Puj

Bench: M.S. Shah, K.A. Puj

JUDGMENT

K.A. Puj, J.

1. The appellant-original plaintiff has filed this appeal challenging the interlocutory order dated 13.07.2006 passed by the Learned Single Judge of this Court below injunction application Exh. 5 in Civil Suit No. 04 of 2005 whereby the injunction as prayed for was refused.

2. It is the case of the appellant that the appellant is a well reputed manufacturer and seller of synthetic ropes, twines and yarns, nettings and various rope products including Geosynthetic products and systems. One of such products manufactured and sold by the appellant is known as Synthetic Rope Gabion, referred to as SRG Invention in the plaint of the suit. The SRG invention is primarily used for the preservation of riverbanks, seashores, seacoasts etc., particularly to prevent erosion caused by natural processes. Long back since 1983, the appellant has been having a well equipped Research and Development ("R&D") unit undertaking R&D in the fields of interests to the appellant including Geosynthetics. The said R&D Units have been since then approved and recognized by the Ministry of Science and Technology, Government of India. One of such products developed by the appellant through its exhaustive R&D experiments, is the SRG Invention, which has been granted a Patent. The SRG Invention relates to the Geosynthetic field of technology, recently developed as a branch of its own. The Synthetic Products used in conjunction with soil and earth are known as "Geo-Synthetic Products". This field is a combination of various other disciplines such as civil engineering, environmental engineering, geology, biology, oceanography, etc. The SRG Invention seeks to overcome the problems and/or limitations faced by other known types of means used for preventing soil erosion, including the known types of gabions and large size cement concrete Tetrapod, and also performs exceedingly well against the challenges such as continuous onslaught of water, corrosion, abrasion, etc., posed and/or arising out of sea/river water.

3. The appellant applied for a patent under the Patent Act by way of Patent Application bearing No. 455/BOM/99 on 22.06.1999, along with complete Specification, as required under the Patent law. Drawings were also filed along with the complete Specification. After verifying and examining the claim of the appellant in respect of the SRG Invention, and after the examiner of patents issued a report in that behalf, the Controller of Patents accepted the patent claim of the appellant on

10.06.2004. Such claim for a patent by the appellant was published in the Gazette of India for opposition, if any on 04.02.2005. As there was no opposition, the Controller of Patent sealed the patent on 13.05.2005. It bears a Patent No. 195352 in favour of the appellant. Thus, the patent in favour of the appellant came into existence w.e.f. 22.06.1999 as by virtue of Section 45 of the Patents Act, 1970, the granting of patent relates back to the date of application. The appellant, since then, has been continuously manufacturing, marketing, using, selling and/or offering for sale the SRG Invention extensively. The sales figures of the SRG Invention manufactured and sold by the appellant are stated in the plaint of the suit. The said SRG Invention is a commercially successful product as it overcomes/solves the limitations, disadvantages, failures and/or problems of the known systems/methods used against soil erosion.

4. It is also the case of the appellant that the respondent Nos. 2 to 6, who were serving with the appellant and were closely connected with the affairs of the appellant's patented SRG Invention, were absorbed by respondent No. 1. After getting access to all the related information, technical know-how and or trade secrets in respect of the appellant's patented SRG Invention from respondent Nos. 2 to 6, the respondent No. 1 started manufacturing, selling, offering for sale, etc., the impugned gabions as more particularly stated in the plaint which are identical to and/or deceptively similar, having identical features of the appellant's patented SRG Invention. In the appellant's view, such an act of the respondent No. 1 amounts to infringement of its patented SRG Invention.

5. It is also the case of the appellant that the appellant came to know about all these acts of the respondent No. 1 sometime in October 2005. The appellant, therefore, filed Regular Civil Suit No. 02 of 2005 along with application for injunction Exh.5 on 17.10.2005 before the District Court, Surat. The learned District Judge, Surat has granted ex-parte ad-interim injunction in favour of the appellant on 18.10.2005 restraining the respondents from committing acts of infringement in respect of the appellant's patented SRG Invention.

6. Being aggrieved by the said ex-parte ad-interim injunction, the respondents preferred Appeal From Order No. 350 of 2005 before this Court on 25.10.2005. The Learned Single Judge of this Court has interfered with the order of the learned District Judge, Surat in the said Appeal From Order on 26.10.2005 and while vacating the ad-interim injunction, the Learned Single Judge has observed that in case the respondents feel that impugned gabions are different than the patented SRG Invention of the appellant, the respondents were free to manufacture and sell the impugned gabions. The Learned Single Judge has, however, directed the respondents to maintain accounts in such case. The Learned Single Judge has also prescribed time bound schedule to complete the hearing of the injunction application Exh.5.

7. Since the respondents challenged the validity of the patented SRG Invention and sought that such patent granted in favour of the appellant be revoked, through the written statement, the said suit was transferred to this Court under the provisions of the Patent Act. The learned District Judge, Surat while ordering transfer of the said suit to this Court extended the ad-interim relief as modified by this Court in A.O. No. 350 of 2005 till 18.11.2005.

8. It is also the case of the appellant that after transfer of the said suit to this Court, the same was renumbered as Civil Suit No. 04 of 2005 and the interim injunction application was listed for hearing before this Court on 18.11.2005. The injunction application was heard by this Court and vide CAV Judgment dated 13.07.2006, the Learned Single Judge has refused to grant the interim injunction as prayed for by the appellant.

9. It is this order of the Learned Single Judge passed below an application Exh. 5 in Civil Suit No. 04 of 2005 which is under challenge in the present appeal.

10. Mr. Kamal Trivedi, learned Senior Counsel appearing with Mr. Y. J. Trivedi for the appellant has submitted that grant of a patent is in a nature of a quid pro quo transaction. The patent applicant is promised, of market exclusivity and monopoly rights for a certain period i.e. 20 years, in respect of the invention, subject to qualifying for a Patent, in exchange of the Patent Applicant disclosing his invention to the society. The rationale behind the grant of a Patent is to give incentive to the inventors, by grant of monopoly rights for certain period, to invent and to disclose the invention to public, for its benefit. In absence of the Patent system, inventors would prefer to practice the invention in a secretive manner. On the other hand, the Patent system, by a mere grant of a Patent, does not conclusively guarantee the validity of the Patent so granted and gives incentive to interested people to invalid a Patent and throw the invention in public domain for free use by the society. He has, therefore, submitted that the patent system strikes a balance to give inventors incentive to invent and also to throw as much as "inventions", that do not meet the requirements of the Patentability, in public domain.

11. Mr. Trivedi has further submitted that appellant has been granted a Patent in respect of a Synthetic Rope Gabion along with other features ("SRG Invention"), which is more particularly described in the plaint. The said Patent of the appellant is valid and subsisting. As there was no opposition, patent was granted on 13.05.2005. In order to bring out an effective solution against soil erosion, the appellant has conducted various experiments and tests and the present Patent is the result of such efforts taken by the appellant. Soon after filing of the Patent Application on 22.06.1999, the appellant has been manufacturing the SRG Invention and have sold the same in various parts of the country. The appellant's SRG Invention has been well appreciated by the people in the field of Technology, which is Geosynthetics. The respondent No. 1 has been manufacturing, selling and/or offering for sale a product, which the appellant claims to be identical to and/or substantially similar to the appellant's patented SRG Invention, since December, 2004. This was possible only because of some of the employees of the appellant left the appellant to join the respondent No. 1. Thus, the respondent No. 1 has been indulging in infringing acts intentionally. The respondent No. 1 has been manufacturing, selling and/or offering for sale a product that is identical to and/or substantially similar to the appellant's Patented SRG Invention. All or substantial features of the appellant's patented SRG Invention are present in the respondents' product.

12. Mr. Trivedi has further submitted that although mere grant of a Patent does not guarantee the conclusive validity of the Patent so granted, the grant of a Patent raises a prima facie case of validity of the Patent or carries some weightage at the temporary injunction stage. Such prima facie

weightage in favour of the validity of the Patent is of course subject to proper rebuttal by the respondent, by cogent and convincing evidence on record, that the Patent so granted is prima facie invalid. Hence, the onus of making out a prima facie case of infringement of the appellant's Patent by the respondents is on the appellant and the onus of making out a prima facie case of invalidity of the appellant's patent is on the respondents.

13. Mr. Trivedi has further submitted that the appellant has been granted a Patent on the SRG Invention. The said patent is validly granted in accordance with the law, and meets all the requirements of the Patent Act. He has further submitted that the respondent No. 1 infringes the appellant's Patent. Due to grant of a Patent in favour of the appellant, the appellant is entitled to prevent any third party, who without the consent of the appellant, manufactures, sells, and offers for sale, the Patented SRG Invention. He has, therefore, submitted that the appellant is entitled to monopoly rights granted by the Act.

14. Mr. Trivedi has further submitted that although synthetic ropes and gabions, individually are known earlier, a synthetic rope gabion along with other features, was not publicly known and hence it is an invention for the purposes of the Patent Act, 1970. He has further submitted that inventive steps for SRG Invention are not mere workshop improvements. The SRG Invention produces a new article and performs phenomenally better than the existing known means of soil erosion including known types of gabions i.e. metal gabions etc., and hence it is rightly granted a patent under the Act. He has further submitted that the SRG Invention has many advantages and solves the problems and limitations of the known types of gabions. The SRG Invention was not publicly known before filing of the Patent Application by the appellant. There is no material on record to suggest that SRG Invention was publicly known prior to the date of the Patent Application. He has further submitted that the SRG Invention was not obvious to the person skilled in the technology at the date of filing of the Patent Application. The Patent has to be construed objectively, through the eyes of a skilled addressee. The fact of validity of the appellant's Patent is also clear from the commercial success of the appellant's SRG Invention and the long-felt need for a solution which the SRG Invention fulfills. The fact that the respondent is copying the appellant's SRG Invention clearly shows the value and the validity of the appellant's patent. There is enough material on record to show that the person skilled in the art does not feel the SRG Invention to be obvious and known prior to the filing of the Patent application. He has, therefore, submitted that in light of the documents on record, the appellant has made out a prima facie case of validity of the appellant's patent.

15. Mr. Trivedi has further submitted that for the purposes of determining infringement by the respondent, specification and/or features of the appellant's SRG Invention has to be compared with the description of respondent's product. The difference as pleaded by the respondent in respect of type of joints i.e. knotting/inter-lacing/inter-looping/inter-mashing and UV Stebilizer are not of importance. The UV Stebilizer is optional and even the appellant is offering the same as stated in the plaint. Such difference does not throw the respondent out of the infringement of the appellant's patent. Mr. Trivedi has further submitted that the respondent has taken the substance of the SRG Invention and the changes, if any, made by the respondent are inconsequential. By taking substance of the SRG Invention, the respondents are infringing the appellant's patented SRG Invention. He has further submitted that it is clear from the documents on record and the samples produced

before the Court that the respondent is manufacturing, selling and/or offering for sale, a product, which is identical to and/or substantially similar to the appellant's patented SRG Invention. The respondent's product has all and/or substantial features of the appellant's patented SRG Invention in it. Difference, if any, made by the respondent are inconsequential. He has, therefore, submitted that the appellant has made out a strong prima facie case of infringement of the appellant's patent by the respondent No. 1.

16. Mr. Trivedi has further submitted that the onus of making out a prima facie case of invalidity of the appellant's patent is on the respondent. The respondent has failed to bring out any document on record of invalidity of the appellant's patent. The respondent has not filed a single affidavit of any person skilled in the art for suggesting that the appellant's patent is invalid. A mere challenge at the bar about the invalidity of the Patent is not sufficient. The respondent has to make out a prima facie case, with the aid of cogent and convincing evidence on record, that the appellant's patent is prima facie invalid. The respondent has alleged that SRG Invention of the appellant is not an invention as it is not novel, and obvious. In this connection, he has submitted that the appellant's patent is novel and/or was not publicly known prior to the date of the application for patent and was not obvious to the persons skilled in the art at the date of filing of the Patent application. He has further submitted that the only certain alleged isolated documents are sought to be relied upon by the respondent to suggest that the SRG Invention was not novel and/or obvious at the date of filing of the Patent Application by the appellant. Such isolated documents cannot be relied upon to prima facie conclude that the patent is invalid for lack of novelty and/or obviousness. He has further submitted that the respondent has not produced sufficient details about the "Nylon Crate Bags" referred to in the correspondence produced by the respondent. The details stated are too vague and insufficient to prima facie come to a conclusion of invalidity of the patent. Nylon Crate Bags are not gabions and do not perform like gabions. Nylon Crate Bags are used for flood control and not for prevention of soil erosion. In light of this, the respondent has not brought anything on record with sufficient substantiation to state and show that the Nylon Crate Bags act like gabions.

17. Mr. Trivedi has further submitted that the balance of convenience is in favour of the appellant and if the order passed by the Learned Single Judge is not reversed and interim injunction is not granted, grave and irreparable losses would be caused to the appellant. The patent is for a limited duration, and in case temporary injunction is not granted, the appellant's market will be taken away. The appellant has been in the market in respect of the SRG Invention since the filing of the Patent Application and the appellant has made huge investments in that behalf. The appellant has been bestowed with statutory rights and hence, infringement of such rights call for grant of temporary injunction as prayed for by the appellant. He has further submitted that the respondent is a new comer as admittedly the respondent has started manufacturing, selling and/or offering for sale, product identical to and/or substantially similar to the appellant's SRG Invention only since December 2004. Additionally, the respondent is not a manufacturer of synthetic rope, the basic raw material of the SRG Invention and hence, the respondent would not have any financial burden as compared to the appellant. The market share of the respondent is meagre of Rs. 22.83 Lacs, as compared to the appellant. He has further submitted that if the interim injunction is not granted, the appellant will loose all the licensing opportunities available to the appellant, thereby the appellant was deprived of the statutory rights to exploit the monopoly.

18. Mr. Trivedi has further submitted that the appellant's claim is not that by mere grant of a patent, a conclusive presumption is made as regards the validity of the patent, as the Patent Act provides for challenge of the grant. He, however, submitted that the right conferred to the Patentee under Section 48 of the Act, establishes the title in favour of the patentee. The grant of the patent, however, can be prima facie presumption of valid patent, unless rebutted by the respondent with cogent and convincing evidence that the patent is prima facie invalid. The respondent, in order to rebut the prima facie presumption of validity in favour of the appellant, is required to raise "serious controversy" by bringing documents on record to show that prima facie the patent granted to the appellant is invalid.

19. Mr. Trivedi has further submitted that the respondent is taking a defense for the first time that there is suppression about the facts and the patent specifications. The appellant nevertheless submits that there is no suppression about the facts and the patent specification describing the invention , as required under the provisions of the Act. Only the invention is required to be described in the specification and in the claim. What is to be disclosed in the patent specification and the claim is clearly mentioned in the provisions of Section 10 of the Act. Merely because the specification and the claim filed by the appellant for the said patent before the authorities concerned does not refer to various prior arts concerning "gabions" in detail, the SRG Invention vis-a-vis the appellant's patent does not become invalid. It is only because of the fact that the Act does not require prior art to be mentioned. The specification is to incorporate details about the invention only. In order to be patentable, an improvement on something known before or a combination of different integers already known, can become the subject matter of a patent for a particular product. The combination of old and known integers may be so combined that their working-inter-relation, may produce an improved result. In the present case, as against various gabions in vogue at a prior point of time like (i) metal gabions using sheets or metal mesh with metal wire; or (ii) polymer-sheet gabions, manufactured out of polymer sheets; or (iii) nylon crates; or (iv) gabions made out natural fiber, the appellant's SRG is a different type of gabion using for the first time synthetic rope, having advantages like more flexibility, non-corrosive, having more strength and capable to take the contour of the ground level. He has, therefore, submitted that mere challenging the validity of the Patent is not sufficient for not granting of injunction. The respondent has to establish a strong case of invalidity. The respondent has failed to produce any material for establishing prior publication, prior use or any of the grounds mentioned in Section 64 of the Act for challenging the validity and, therefore, the appellant is entitled to an interim injunction as prayed for.

20. Mr. Trivedi has relied on following judgments of Indian High Courts including Hon'ble Supreme Court as well as English Courts in support of his various submissions. In the case of Bishwanth Prasad Radhey Shyam v. Hindustan Metal Industries 1982 SC 1444, (2) in the case of Lallubhai Chakubhai Jarivala v. Shamaldas Sankalchand Shah 1934 Bom 407, (3) in the case of Gandhimathi Appliances Ltd. v. L.G. Varadaraju 2001 (1) CTR 459 (Madras) (4) in the case of Raj Prakash v. Mangat Ram Choudhary 1978 Delhi 1, (5) in the case of Farbwerke Hoechst Aktiengesellschaft Vormals Meister Lucius & Bruning a Corporation v. Unichem Laboratories 1969 Bom 255, (6) in the case of Graham v. John Deere Co.383 U.S. 1 (1996) (7) in the case of Rosedale Associated Manufacturers Ld. v. Carlton Tyre Saving Coy. Ld. 1960 RPC 59 (8) in the case of Kolster Speedsteel v. Stora Kopparbergs Berg Slags, Lexsee 793 F2D 1565, 1571 (9) in the case of Hinde v. Osborne

1885 RPC 64 (10) in the case of Rotomac Pens Ltd. v. Milap Chand & Co. 1999 PTC (19) 757 (11) in the case of Telemecanique & Controls (I) Limited v. Schneider Electric Industires SA 2002 (24) PTC 632 (Del) (12) in the case of Midas Hygiene Industries (P) Ltd. v. Sudhir Bhatia (13) in the case of Heinz Italia v. Dabur India Ltd. , (14) in the case of K. Ramu v. Adyar Ananda Bhavan Muthulakshmi Bhavan MIPR 2007(1) 0352. Some of these decisions are discussed in the later part of this judgment.

21. Mr. K.S. Nanavati, learned Senior advocate appearing for the respondents has submitted that the gabion claimed by the appellant to be their own invention is neither true nor correct. The gabions are cylinders that are fitted with earth or stones and are used in building structures such as dams or dikes. They are also used for prevention of soil erosion along the banks of rivers and have military application and many other uses. The earlier use of Gabion types structure was 7,000 years ago when it was used for bank protection along river Nile. Since then, Gabions have been used world over for all these purposes. Thus, there is no new invention as claimed by the appellant. In India, gabions have been manufactured with nylon polythene materials etc. by various Companies. He has further submitted that Netlon India based in Baroda is manufacturing Gabion since 1985. Similarly, Perfect Polymash (Isolon) Private Limited also based in Baroda is manufacturing Gabions since 2002. He has further submitted that the right in rem and right in personam are two different concepts in law and that the issuance of patent is neither legal nor proper and mere issuance of patent does not confer any right of patent and its show of validity by the holders of the patent. The issuance of patent does not disclose any invention and the issuance of such patent is contrary to the provisions of law in this behalf. The patent was granted without considering the provisions of law as well as without going into the merits and demerits of the invention as claimed by the appellant. He has, therefore, submitted that the patent issued to the appellant is neither legal nor proper and it requires to be revoked from the date of its issuance.

22. Mr. Nanavati has further submitted that the process of the items manufactured by the respondent No. 1 is different from that of the appellant. The size of the product manufactured by the respondent No. 1 are 8 mm, 9 mm and 10 mm and/or as per buyers' specification. The structure manufactured by the respondent is based on hydraulic engineering and density of solid material as well as strength of various water resources such as Sea Shore, River Front etc. Gabion ropes that are fitted with earth and have been used by Civil areas in Egypt and China before 19th Century. Gabion comes in 3 basic forms, Gabion Basket, Gabion Mattresses and Sack Gabion. All the three types consist of wire-meshed baskets fitted with Cobol or small boulder material and without this material. The different Gabion Basket and Gabion Mattresses are made from different thickness and the aerial extent of the basket. The Sack Gabion is as the name implies the mass set without or with fitted rock material. Gabion baskets are normally used to protect Bank, Construct structure etc., which mean for soil protection and to avoid erosion of soil or erosive parts of water. Gabion baskets can be made from welded and woven wire. The science behind the Gabion is fairly well established with numerous manufacturing productions, design, methodology and guidance for the gabion products.

23. Mr. Nanavati has further submitted that rope can not be patented by any one because it is available in various forms and it varies in its strength, dimension, density, thickness, abrasion

resistance, thermal stability etc. All these details are not given by the appellant to claim a unique rope in the world and therefore, every manufacturing of rope article can not be claimed to be an infringement of a alleged patent granted to the appellant. The patent of a particular or a peculiar rope is not given and even if it is given, it contravenes the provisions of law in this behalf. It is very vital to point out that Section 24-b is deleted from the statute, with effect from 01.01.2005 and hence, it can not be construed that the exclusive right enshrined to patentee prior to 01.01.2005 is being taken away and, therefore, even on this count, the alleged sale in Gujarat cannot give any cause of action to the appellant.

24. Mr. Nanavati has further submitted that the respondent No. 1 is not manufacturing Gabions by using the SRG Invention of the appellant. The process, method and manufacturing of the respondent No. 1 is entirely different and the same is evident from the operative chart given by the respondent No. 1 in para 54 of the written statement. The main distinguishing features are that it is using U.V. Stabilised Polypropylene Ropes. The appellant manufactures Gabions by weaving number of horizontal traverse vertical choras of ropes whereas, the respondent No. 1 uses the knotting process, which is entirely different from the weaving. There are many other distinguishing features and, therefore, the respondent No. 1 can not be said to be infringing the patent granted to the appellant. Even otherwise, looking to the fact that the manufacture and use of Gabions is a known process since years together, the same is not patentable. The appellant has not invented anything new and the so-called SRG Invention is not an invention as defined by the Patents Act and not patentable under Section 3 of the Patents Act.

25. Mr. Nanavati has further submitted that Surat Municipal Corporation had invited tenders for the work of river protection of River Tapi. Supply of pre-fabricated polypropylene UV resistant Rope Gabions was a part of the said contract. The said contract has been awarded to M/s. Sonal Construction, Surat, M/s. Yojaka Marine Pvt. Ltd. And M/s. D. P. Vakaria. The said parties wanted to procure Gabions as per the tender specifications. The respondent No. 1 as well as the appellant were competing for the said order and in all likelihood, the said order was to be awarded to the respondent No. 1 and, therefore, the appellant has filed a false and frivolous suit against the respondent No. 1 suppressing vital and material facts.

26. Mr. Nanavati has relied on following judgments in support of his submissions and some of them are discussed at the appropriate places hereinafter in this judgment. In the case of Ranz Haxier (4) in the case of Manika Thevar v. Star Plough Works (5) in the case of TATA Oil Mills AIR 1985 Del. 136 (6) in the case of Ram Narayan Kher v. Ambassador Industries PTC (Suppl) (1) 180 (Del.) (7) in the case of Bishwanath Prasad Radhey Shyam v. Hindustan Metal Industries AIR 1982 SC 1444 (8) in the case of Ramdev Food Products (P) Ltd. v. Arvindbhai Rambhai Patel (9) in the case of Zaidener v. Barrisdale Engineers Ltd. 1968 (16) RPC 488 (10) in the case of Bilcare Ltd. v. Supreme Industries Ltd. 2007 (34) PTC 444 (11) in the case of Metro Plastic Industries (Regd.) v. Galaxy Footwear New Delhi (12) in the case of Quantel Ltd. v. Shima Seiki Europe Ltd. 1990 RPC 436 (13) in the case of Surendra Lal Mahendra, New Delhi v. Jain Glazers, New Delhi 1981 (1) PTC 112 (Del) (14) in the case of Unique Transmission Company India Ltd. v. ESBI Transmission Pvt. Ltd. PTC (Suppl) (2) 799 (Cal.)

27. During the pendency of this appeal, the respondent has moved Civil Application No. 366 of 2007 seeking permission to produce the documents/evidences annexed therewith as Annexures 1 to 4 on the record of the present appeal and Civil Suit No. 04 of 2005. It is stated in the said Civil Application that the applicants-original respondents had requested M/s. Mogambo Solutions, LLC, USA to conduct a world wide search to identify prior art and inventions disclosed prior to the filing of Indian Patent No. 195352 filed in India on June 22, 1999 in the name of Garware-Wall Ropes Limited. M/s. Mogambo Solutions, LLC conducted the said search and has prepared a report and has also prepared a chart comparing the elements of the claimed invention in Indian Patent No. 195352 with the claims in prior art patents. The report and the comparison chart prepared by M/s. Mogambo Solutions, LLC show that the claimed invention in Indian Patent No. 195352 was already disclosed in the prior art. Therefore, the Indian Patent No. 195352 lacked novelty and inventive step and should not have been granted a patent in India. It is further stated that one Mr. Rajesh Kumar of Patna, on an affidavit, has stated that the Water Resources Department, Bihar had been receiving supplies of Nylon Rope Gabions much prior to 1998 for minimizing soil embankment erosion and flood fighting work. One Mr. P. Ram, Chief Engineer, Irrigation Department, Government of U.P., Lucknow who has written a letter dated 11.10.2006 addressed to the respondent No. 1 stating that the Irrigation Department, U.P. Has been using flexible polymer rope gabions for several decades in connection with their projects for minimizing soil erosion at several sites in U.P. On the basis of these documents, Mr. Nanavati has submitted that the patent claimed by the appellant is identified with prior art and the items manufactured by the appellant were in use even prior to the alleged inventions claimed by the appellant. He has, therefore, sought the permission of this Court to take those documents on record so as to have proper adjudication of the issues raised between the parties.

28. Mogambo's entire report reveals that the focus is on prior art that discloses and/or exemplifies certain key elements of novelty covered within the scope of Indian Patent No. 195352. The scope of Mogambo's search was targeted one and international classes and sub-classes. They have searched more broadly using other search techniques and methodologies that do not require a specific class or sub-class to be identified. The search was restricted to references published prior to June 22, 1999, which is the date of the Indian Patent. Mogambo's search gives the following results:

US Patent No.	Title	Priority Date	Filing Date	Issue Date
4,477,206	Flexible mattress-like element usable at ballast for immobilizing and protecting underwater pipelines.	16.09.1980	09.09.1981	16.10.1984
4,521,131	Lightweight semi-flexible dike.	14.05.1984	14.05.1984	04.06.1985
5,076,735	Welded wire component gabions and method of making the same and construction soil reinforce retaining walls therefrom.	31.08.1990	31.08.1990	31.12.1991

5,320,455	Geocell with facing panel.	22.04.1992	22.04.1992	14.06.1994
5,333,970	Building and shoring blocks.	07.04.1989	26.11.1991	02.08.1994
5,636,938	Gabion system.	15.06.1994	15.06.1994	10.06.1997
5,582,492	Method and apparatus for an anchored earth restraining wall.	18.10.1995	18.10.1995	10.12.1996
5,860,551	Gabion container.	07.04.1997	07.04.1997	19.01.1999
6,164,476	Collapsible container.	03.05.1999	14.10.1999	26.12.2000
6,305,876	Material and construction method of prevention of scour for the underwater structure.	31.12.1997	30.10.1998	23.10.2001
6,368,017	Storm water detention filter system.	16.03.1999	16.03.1999	09.04.2002
JP2000017631	Multiseries Gabion	29.06.1998	29.06.1998	18.01.2001
JP10114926	Gabion With Bedding.	11.10.1996	11.10.1996	6.05.1998
JP9143955	Mattress-Shaped Gabion for Civil Engineering Work.	20.11.1995	20.11.1995	03.06.1997
CA2108964	Gabion System.	21.10.1993	21.10.1993	22.04.1995

29. From the above particulars, it is contended that there is no novelty or invention in the appellant's Indian Patent. Prior art is established beyond any doubt.

30. During the pendency of this appeal, the respondent-original defendant has preferred Civil Application No. 378 of 2007 for production of the following records:

> Form No. 1 for Application for grant of a patent along with the attachments to the Form No. 1 for the SRG Invention filed with the Patents Office on June 22, 1999.

31. All other Forms and documents filed with the Patents Office in connection with the SRG Invention on June 22, 1999 and thereafter.

32. All documents received from the Patents Office in connection with the SRG Invention on June 22, 1999 and thereafter.

33. This application was moved on the ground that the appellant having produced certain documents and made claims and assertions which are inconsistent with the record of the proceedings of the Patent office. The respondent has obtained from the Patent office authenticated copies of some relevant documents which clearly reveal that the claims and assertions made by the appellant are not true and correct.

34. Both the aforesaid applications moved by the respondent were seriously opposed by the appellant.

35. Civil Application No. 366 of 2007 seeking permission for production of additional documents, preferred by the original respondents-defendants, was seriously objected to by the original appellant-plaintiff. A detailed affidavit-in-reply is filed on 01.10.2007. Mr. Kamal Trivedi, learned Senior Counsel appearing for the appellant-plaintiff has submitted that preferring application seeking production of additional documents/evidence at the appellate stage, especially when the OJ Appeal is part-heard at the final hearing stage, causes serious prejudice to the appellant-plaintiff. Such an application is, therefore, not maintainable and is contrary to the provisions of law and deserves to be dismissed in limine. He has further submitted that two documents, namely, affidavit of Mr. Rajesh Kumar, Patna dated 25.04.2006 and the letter of Mr. P. Ram, Chief Engineer, Government of U.P., dated 11.10.2006 were already available to the respondent-defendant No. 1 and were not filed in time by the respondent-defendant No. 1. Search obtained by the respondent-defendant No. 1 from M/s. Mogambo Solutions LLC, USA, could have been obtained by the respondent-defendant No. 1 any time during the stage when the matter was before the Learned Single Judge. He has further submitted that obtaining a search report when the matter is at the Appellate stage and partly heard at the final hearing stage, shows and makes it clear that it is a mere afterthought to cause serious prejudice to the appeal of the appellant-plaintiff. He has further submitted that the manner in which the comparison is made by M/s. Mogambo Solutions LLC is not in accordance with law and is completely incorrect. Such erroneous and illegal comparison is misleading and misconceived, and hence, needs to be rejected. A claim-by-claim comparison for seeing novelty or inventive step vis a vis the invention of the appellant-plaintiff is erroneous and illegal. All elements/features and/or limitations of the invention of the appellant need to be present in a single prior art/patent document. This is absent in the specifications of the patents referred to in the report. Hence, even in light of the patents referred to in the said report, the SRG Invention as is referred to in the plaint of the appellant - plaintiff is yet novel. The specifications of the patents do not teach and/or suggest the subject matter of the invention of the appellant-plaintiff. He has, therefore, submitted that the said report cannot be taken into consideration to draw any legal conclusions of whatsoever nature.

36. With regard to the affidavit of Mr. Rajesh Kumar, Mr. Trivedi has submitted that the Water Resources Department has been using the alleged "Nylon rope crates" prior to 1998, is only hear say evidence and cannot and should not be permitted to be taken into consideration and on record. No affidavit of the concerned person from the Water Resources Department has been filed by the respondent-defendant nor any specimen has been produced on record. He has further submitted that the alleged nylon crates was brought on record by the appellant-original plaintiff on earlier occasion and it was mischievously referred to as "Nylon Rope Gabions" or "Nylon rope crates" or

"Nylon rope boxes". He has further submitted that it was done only with a view to suggest that the same are equivalent to "Synthetic rope gabion". He has, therefore, submitted that the application for production of additional documents should not be entertained by this Court.

37. He has further submitted that the affidavit dated 25.04.2006 of Shri Rajesh Kumar of Simone Enterprises, Patna filed on behalf of the respondent is nothing but an eye-wash, since it lacks credence, owing to the various reasons. The said affidavit is filed at a very belated stage in these appeal proceedings and the same was not there before the Learned Single Judge. Shri Rajesh Kumar is merely a supplier of a product called "Nylon Rope Crates" only since 2004. He has not stated as to who are the manufacturers of the said product from whom he takes the supply and has not produced the said product to show as to how does it look like. It is curious enough to note as to how can he have any personal knowledge about the use of the said product since 1987, when he himself states that he has been in the business since 2004. Though, he intentionally refers to the product as "Nylon Rope Crates" by describing the same as "Gabbions", his purchase order produced refers to the product as "Nylon Crates" where conspicuously the word "rope" is missing nor is the word "gabion" present in any of the said purchase orders. Last four lines of paragraph 5 of the said affidavit do not inspire any confidence inasmuch as the same appear to have been borrowed from paragraph 3 of Annexure-IV of the Civil Application No. 366 of 2007 which is the letter dated 11.10.2006 written by one Shri P. Ram, Chief Engineer (East) to the respondent. No affidavit of Shri P. Ram has come forth on the record. Lastly he has submitted that SRG manufactured by the appellant costs in the range of Rs. 700/- to Rs. 1,200/- depending upon the size and other characteristics, whereas the purchase order of Bihar Government produced at page 38 to Civil Application No. 336 of 2007 shows the price of each Nylon crate at Rs. 33.90 each. It is further pertinent to note that even the products of the respondent do not cost such a lower amount since they are also selling @ Rs. 700/0 to Rs. 1,000/-. Due to all these reasons, there are serious doubts as regards the credentials of the authors of the aforesaid affidavit and letters, more particularly when the same were not there before the Learned Single Judge. He has, therefore, submitted that this Court should not take any cognizance of the said affidavits or letters.

38. With regard to Civil Application No. 378 of 2007 seeking direction to the appellant-plaintiff to produce certain documents, Mr. Trivedi has submitted that patent in question was conceived by the appellant in 1998. The appellant's attorney through their forwarding letter dated 14.06.1999 sent appellant's patent application dated 05.06.1999 for registration of its patent in question. The appellant's aforesaid application was received by the patent office and numbered as 459/BOM/1999 dated 22.06.1999 and immediately thereafter, the appellant also started manufacturing the product in question. The aforesaid application of the appellant for registration of patent came to be published in the official Gazette on 18.09.1999 as required by the erstwhile provisions, i.e. Sub-sections (1), (2) and (3) of Section 11-A of the Act at the material time. In view of this publication, averments of the respondent that in absence of such a publication, they would not have come to know about any such invention, pales into insignificance. He has further submitted that preliminary examination report of the appellant's application was given on 13.06.2001 informing the appellant, inter alia, for the compliance of various requirements. The response on behalf of the appellant to the preliminary examination report was given on 27.06.2001. The concerned competent authority sent a communication to the Attorneys of the appellants on 30.12.2002, inter alia, that

examination of the appellant's application for patent was made under Section 12 of the Act which discloses certain defects and that the appellant should remove the same. In view of the above, the patent office sent back the original papers relating to the application for patent for re-submission after removing the aforesaid defects/objections. The communication on behalf of the appellant was sent to the patent authority complying with the defects/objections raised by the Patent Office. By complying with the defects/objections pointed out by the patent office, the appellant's invention remained the same and that therefore, the objections of the respondent to the effect that what was earlier described by the appellant was 'rope articles', etc. and later on what came to be described was 'a pre-fabricated collapsible S.R. Gabion' and that therefore, it was different invention, has no substance in fact as well as in law. In fact, the provisions contained in Section 57(6) of the Act, read with Rule 14 of the Patent Rules, 2003 require such amendment to be carried out in the specification to comply with the directions of the comptroller having raised the defects/objections.

39. Mr. Trivedi has further submitted that patent office accepted the patent specifications of the appellant. A letter was written on behalf of the appellant to the Comptroller of Patent, stating inter-alia that in any case, there will be a publication of patent granted as per the provisions of the amended Act and that therefore, a request was made to grant the patent to the appellant without publishing it. This was so written in view of repeal of erstwhile Section 23 of the Act w.e.f. 1.1.2005, which was requiring the advertisement i.e. Publication of acceptance of complete specification). Despite this, acceptance of the appellant's patent came to be published in the Official Gazette on 04.02.2005. In view of this publication, the argument to the effect that priority date of the appellant should be considered from 24.03.2004 when the appellant allegedly amended its invention and not from 22.06.1999 when the patent office received appellant's application for registration of the patent, is not sustainable in the eye of law inasmuch as, subsequent amendment was with a view to taking care of the defects pointed out by the patent office and not to change the patent and that therefore, the priority date has to be w.e.f. 22.06.1999 and not from 24.03.2004. He has, therefore, submitted that the proviso to Sub-section (7) of Section 11-A will not apply to the facts of this case for arguing that the appellant is, at the best, entitled to damages and not entitled to any proceedings for infringement since the priority date in the present case is 22.06.1999 and so will be the position in respect of the proviso to Sub-section (7) of Section 11-A of the Act. He has further submitted that the respondent's reliance on Section 13(3) of the Act is also misplaced inasmuch as unless patent office examines and investigates, the removal of defects/objections and consequent amendment effected by the appellant in its original application for registration of patent, no further proceedings would be taken place and on satisfaction of the patent office about the appellant's compliances, there is no requirement of issuance of a second report of examination and investigation of the said amendment. He has further submitted that the Comptroller did not find any objections after his examination and investigation of the amendment and hence, the requirement of the hearing as contemplated under Section 14 of the Act would not arise and consequently there would be no question of pressing in service the provisions of Section 15 of the Act.

40. We have heard at length learned Counsels appearing for the respective parties and considered their submissions oral as well as written, very minutely, carefully and in their true perspectives. We have perused the voluminous records , evidence and materials produced before the learned Single Judge as well as before us. We have also given our anxious thoughts to the relevant statutory

provisions contain in the Patent Act as well as Rules framed thereunder and various authorities cited before us. We have also gone through the two Civil Applications moved by the respondents-defendants, one for seeking permission to produce additional evidence and another for seeking direction to the appellants-plaintiffs to produce certain documents on record. We have neither allowed these applications nor rejected them at the very threshold as we are hearing an appeal against an interim order and the suit is still pending before the learned Single Judge. We, therefore, allow the parties to make their respective submissions either in favour or against of these two applications. Despite the fact that evidence and documents referred to in these applications were not before the learned Single Judge and still the interim relief was refused. The contents of these documents and facts revealed therefrom coupled with all other materials already on record, prima facie persuaded us to take the view that the learned Single Judge has not committed any error either in law or on facts in refusing to grant interim relief as prayed for by the appellants-plaintiffs, which require any interference by us while exercising our appellate jurisdiction, that too, in an interim order.

41. While rejecting the interim injunction application preferred by the appellant, the Learned Single Judge has given several reasons, which inter alia, include that in the suit for infringement of the patent, the plaintiff must make out a strong prima facie case for grant of temporary injunction and that when serious controversy exists as to whether or not the invention made by the plaintiff is a new or it involves inventive skills, the Court should not grant injunction in favour of plaintiff and that if the patent is new and its validity is not established in judicial proceedings and the defendant's endeavour is to show that the patent ought not to have been granted, ordinarily, the Court should not issue a temporary injunction. While declining the interim relief to the appellant, the Learned Single Judge has placed reliance on the judgment reported in (1) in the case of Manika Thevar v. Star Plough Works (2) in the case of Hindustan Lever Ltd. v. Godrej Soaps Ltd. (3) in the case of Standipack Pvt. Ltd. v. Oswal Trading Co. Ltd. (4) in the case of Ram Narayan Kher v. Ambassador Industries, PTC (Suppl) (1) 180 (Del.). The Learned Single Judge has further observed that when the validity of the patent has been challenged on the ground that patent has been obtained by fraud, there is no new invention of a new product, but it is simply an extension of what was earlier used or was known to the world, then, the extra burden lies upon the plaintiffs to show to the Court that their work or invention of the product is not simply an extension. The Learned Single Judge has further observed that when the defendants come out with a case that patent is illegal and deserves to be revoked, then, obviously there would be a triable issue in favour of the defendants and not in favour of the plaintiffs. With regard to the process of the plaintiff's product, the Learned Single Judge has observed that the plaintiffs cannot be allowed to say that the method of weaving is the only statement in the application, but, they can refer to any other method of manufacture. According to the Learned Single Judge, weaving is a different process than the process of intermeshing and textile experts know that what is weaving and what is the difference between weaving and intermeshing. The defendants are not using any weaving process in manufacturing the gabions, their process is certainly intermeshing. The Learned Single Judge was also of the view that if the gabions made of different materials were used to avoid or protect soil erosion for more than 7,000 years, then the innovation of a gabion cannot be said to be a new inventive invention, no research was required to be made in something which was publicly known. It is further recorded that rope gabions and polymer gabions are being used in Maharashtra and Bihar since 1991 and 1987. If

Nylon Crates and gabions are used by the Governments for long many years and are being manufactured by Netlon and other companies, then the plaintiff would not be entitled to say that they have separate existence of a new product which was not known. The Learned Single Judge further took the view that patent may not be granted in favour of some one, who very cunningly make an application to the authority for grant of patent without even disclosing that what is new in its item and how it was not known to the public previously. It is further observed by the Learned Single Judge that Nylone, which is also used for manufacturing the gabions, is a strong polymer/material and if that use is known to the world, then, simply by replacing nylone by some other synthetic material, the plaintiff would not be allowed to claim that they have invented a product. The Learned Single Judge has also given specific finding to the effect that the defendants are successful in showing that their product is something different than what has been registered in favour of the plaintiffs. The product manufactured by the defendants, in the considered opinion of the Learned Single Judge, is not same or similar to what is patented in favour of the plaintiffs. Ultimately, the Learned Single Judge has come to the conclusion that the product of the plaintiff is neither new nor a result of the research, nor it is cheaper, nor it is something, which, for the first time, came into existence and was not known in the field.

42. The above findings and conclusions of the Learned Single Judge were challenged by the appellants - plaintiffs in the present appeal. In support of the appellants-plaintiffs' submission that the grant of patent to the patentee is in the nature of a quid pro quo transaction between the patentee and the State and that in other words, in return of the patentee disclosing his invention to the society, the patentee is granted a monopoly rights for certain years, presently 20 years, Mr. Trivedi has relied on the decision of the Division Bench of the Delhi High Court in the case of Raj Prakash v. Mangat Ram Chowdhry and Ors. AIR 1978 Delhi 1. Mr. Trivedi has further submitted that the rationale behind the grant of the patent is to give incentive to the inventors to invent, by grant of monopoly rights for certain period and disclose the invention to the public in mutual benefit. In support of this, he relied on the decision of the Hon'ble Supreme Court in the case of Bishwanath Prasad v. Hindustan Metal Industries AIR 1982 SC 1444.

43. Mr. Trivedi has further relied on the decision of the Hon'ble Supreme Court of the United States of America in the case of Diamond v. Diehr 45 U.S. 175 (1981) for the proposition that the exclusivity/monopoly granted to the patentee is in respect of the limitations claimed in the claims of the said patent pertaining to the SRG Invention. Although the claim of the SRG Invention relates to a gabion, the claims of the SRG Invention do not seek protection on gabions in abstract or per se, or exclude others from manufacturing of gabions in totality or per se. It rather seeks to exclude others from manufacturing and/or marketing the SRG Invention with the features as stated in the claims.

44. Mr. Trivedi has further relied on the decision of the Division Bench of the Madras High Court in the case of Gandhimathi Appliances Ltd. v. L.G. Varadaraju 2001 (1) CTR 459 for the proposition that when a patent has been granted must be given some weight and significance while considering the question of prima facie case. For this very proposition, Mr. Trivedi also relied on the recent decision of the Madras High Court in the case of K. Ramu v. Adyar Ananda Bhavan & Mutha Lakshmi Bhavan MIPR 2007 (1) 352. Mr. Trivedi further submitted that in a suit for infringement of a patent, in which the defendant files a counter-claim for revocation, the onus of showing that the

patent granted to the Patentee is prima facie invalid is upon the defendant. In support of this submission, he relied on the decision of Delhi High Court in the case of Standipack Pvt. Ltd. and Ors. v. Oswal Trading Co. Ltd. and etc. AIR 2000 Delhi 23. He made distinction between the onus of making out a prima facie case of infringement of the appellant's patent by the respondent No. 1 and the onus of making out a prima facie case of invalidity of the appellant's patent. In the former case, it is on the appellant and in the later case, it is on the respondent.

45. Mr. Trivedi has further made the submission that earlier view that when the patent is of a recent one and has not been established, no interlocutory injunction be granted has undergone a substantial change. The earlier view, as existed prior to 1975 in U.K. established in Smith v. Griggs Limited 1924 (41) R.P.C. 149, was followed in numerous cases in India. In Manicka, the Court recognizing the position of law then prevailing in U.K., relied upon Terrell's Law on Patent, 9th Edition, 318-320. The decision of Manicka was subsequently cited in number of Indian decisions to effect that interlocutory injunction was refused when the patent was a recent one, its validity was not established and the defendant sought to change the validity of the patent. The law in this behalf, in U.K., however, underwent considerable changes since American Cyanamid Company v. Ethicon Ltd. (1975) 1 All ER 504. This view was followed in the case of Novartis AG v. Adarsh Pharma 2004 (29) PTC 108.

46. As against the appellants-plaintiffs' submissions, the main thirst of arguments on behalf of the respondents is that the Learned Single Judge has correctly applied the principles of law and considered both documentary evidence as well as oral submissions in their true perspective. Based on this correct application of law as well as consideration of documentary evidence, the Learned Single Judge has correctly recorded the findings that there is no prima facie case nor balance of convenience is in favour of the plaintiff and no irreparable injury will be caused to the plaintiff, but on the contrary, irreparable injury will be caused to the defendant if injunction is granted, passed the final order directing the defendant to maintain account taking the view that the damages would adequately compensate the plaintiff, for the loss suffered, if the suit is decreed. Since the correct principles have been applied and all documentary evidences and oral submissions have been considered, the Appellate Court ought not to interfere with the exercise of discretion of the Learned Single Judge. Reliance is placed on the decision in the case of Ramdev Food Products (P) Ltd. v. Arvindbhai Rambhai Patel reported in 2006 (8) SCC 726 wherein it is observed that the grant of an interlocutory injunction is in exercise of discretionary power and hence, the appellate Court will usually not interfere with it. However, appellate Courts will substitute their discretion if they find that discretion has been exercised arbitrarily, capriciously, perversely, or where the Court has ignored settled principles of law regulating the grant or refusal of interlocutory injunctions. It is further observed that the appellate Court may not reassess the material and seek to reach a conclusion different from the one reached by the Court below if the one reached by that Court was reasonably possible on the material. The appellate Court would normally not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage, it would have come to a contrary conclusion. It is, therefore, rightly urged that various conclusions drawn by the Learned Single Judge are based on documents and material on record and are neither perverse or arbitrary.

47. It is well settled principles of law that no injunction may be granted unless it is established by the plaintiff that the plaintiff would suffer an irreparable injury and compensation for loss or damage would not be an adequate remedy. Reliance is placed on the decision in the case of Bilcare Ltd. v. Supreme Industries Ltd. 2007 (34) PTC 444, in the case of Metro Plastic Industries (Regd.) v. Galaxy Footwear New Delhi AIR 2000 Delhi 117. The Learned Single Judge has recorded a clear finding that compensation would be an adequate remedy. In fact, the plaintiff has quantified the damage and also sought for direction to render account. It, therefore, prima facie shows that the loss is computable in terms of money. In the circumstances, no interference is called for. The plaintiff has not shown that the loss that may be suffered by the plaintiff is not assessable or that payment of damages, in case the suit is decreed, is not an adequate remedy.

48. It is also well established principle in law that ordinarily Court would not disturb the status-quo prevailing on the date of the suit. The status-quo prevailing on the date of the suit was that the defendant had set up its plant and was already in the business of manufacturing and marketing that disputed gabion product. The defendant claimed that it has established its plant at the cost of Rs. 17 Crores in 2003 and has been manufacturing and marketing the products in dispute since December, 2004. The suit is filed on 17.10.2005. The plaintiff has tried to explain the delay by stating in the plaint that they recently came to know about the defendant's activities through their agent in Gujarat. No affidavit of the agent to that effect has been filed. Thus, alleged grounds for delay are yet to be appreciated, examined and adjudicated. It is, therefore, rightly contended that delay defeats equity.

49. The Court finds some substance at this stage in the submission that no interim injunction protecting the patent and restraining the defendant from continuing the manufacturing and marketing of products in dispute would be granted if the patent is new, its validity has not been upheld in any judicial proceedings and serious controversy raised regarding its validity either by filing an application in revocation or claiming revocation and counter claim in the suit. The defendant's contention may not be brushed aside at this stage that the grant of patent is no proof of its validity and principles laid down in American Cyanamid does not govern the field of law in India. Reliance is placed on the decision in the case of Bishwanth Prasad Radhey Shyam v. Hindustan Metal Industires, 1982 SC 1444, in the case of Metro Plastic Industries (Regd.) v. Galaxy Footwear New Delhi , in the case of Manika Thevar v. Star Plough Works , in the case of Rotomac Pens Ltd. v. Milap Chand & Co. 1999 PTC (19) 757.

50. So far as the present case is concerned, the patent application had been originally submitted on 22.06.1999. It was returned by the Registry on 30.12.2002 and resubmitted only on 29.03.2004. It was published on 04.02.2005 and the patent was sealed only on 13.05.2005. The suit was filed on 17.10.2005. The patent is thus new and its validity has not been upheld in judicial proceedings and as is being pointed out, serious controversy is raised regarding its validity in the counter claim and the records produced. Since patent was granted only in May 2005, its validity could not have been challenged and decided earlier. The Learned Single Judge has adequately protected the interest of the plaintiff by directing the defendant to maintain account and directing the defendant to secure their claim for damages. The plaintiff has not shown how and why payment of compensation is not an adequate remedy.

51. There is a serious controversy raised in the counter claim regarding the validity of the patent claimed by and granted in favour of the plaintiff on several grounds. Therefore, there is no prima facie case for grant of an interim relief as prayed for. The plaintiff has claimed patent in respect of a pre-fabricated collapsible gabion product in flexible form made from ropes. The specific case of the plaintiff is that the patented gabion product is a new product and not an improvement on existing "prior art". The Controller of Patent has accepted the claim as 'new product'. It is now an undisputed position that Gabion products having most of the features (if not all) as claimed by the plaintiff in the patent application were known and used since a number of years prior to the date of application. The product claimed to have been developed by the plaintiff was to solve the problems and limitations of the known types of gabion. The claim of the plaintiff of an invention of new product, could not have been accepted by the Controller in view of the undisputed existence of prior art. Patent only for improvement made on the existing prior art, could have been granted, if the features added to the existing gabion involved technical advance as compared to the existing knowledge that made the invention not obvious to the persons skilled in the art. Since claim made was not for an improvement made but of inventing a new product, the patent may be revoked on the ground of suppression or on the ground that claim made is not an invention within the meaning of Section 2(1)(j) of the Act. Reliance is placed on the decision in the case of Ram Narayan Kher v. Ambassador Industries, PTC (Suppl) (1) 180 (Del.), in the case of Surendra Lal Mahendra, New Delhi v. Jain Glazers, New Delhi 1981 (1) PTC 112 (Del), in the case of Unique Transmission Company India Ltd. v. ESBI Transmission Pvt. Ltd., PTC (Suppl) (2) 799 (Cal.).

52. Even if it is assumed that it is not incumbent to the plaintiff to wholly and completely disclose the existing prior art and such non-disclosure does not amount to suppression or that, it is no ground for revocation of the patent by itself, what needs to be appreciated is that the Controller of Patent had no occasion to consider whether the improvement made in such a technological advance which would merit grant of patent and secondly whether to limit the grant of patent only to such improvements or grant patent as an invention of a new product. Obviously, Controller had no occasion to examine the claim made by the plaintiff as an improvement over the existing art and uphold the claim for patent made by the plaintiff. This aspect will be considered for the first time in the revocation proceedings. There is, therefore, a serious triable issue on decision of which legality and validity of the patent depends namely whether the features claimed to be a novelty or a technical advance as compared to the known prior art, not obvious to the persons skilled in the art.

53. Even if a combination of features, independently found to exist in different gabion products, can be claimed to be novelty as contended by the plaintiff, such a claim should have been made by the plaintiff after discovering the existing prior art. The issue to be tried in revocation petition would be, which prior art contained which features and whether plaintiff's product contains features which involve technological advance over prior art which is non-obvious to the person in the same field of art. This is a question of fact to be decided at the trial. The defendant has placed on record material to establish existence of gabion products and particularly Nylon Crate Bags/Nylon Rope Nets and Cargo Nets which have practically all the features of gabion. This may not amount to an invention as defined under Section 2(1)(j) of the Act.

54. The defendant's contention that grant of patent is not a prima facie proof of validity certainly merits consideration. Section 13(4) of the Act states that examination and investigation required under Section 12 and this section shall not be deemed in any way to warrant the validity of any patent, and no liability shall be incurred by the Central Government or any officers thereof by reason of, or in connection with, any such examination or investigation or any report or other proceedings consequent thereon. Therefore, the Legislators have very clearly and unambiguously stated that grant of a patent does not warrant any validity and, therefore, a separate provision has been provided in Section 113(1) authorizing the High Court in such proceedings as the present matter to provide a certificate of validity to a claim in a patent. Therefore, if the High Court finds that in such a matter, the claim is not valid, the patent should be revoked. Section 13(2) states that the examiner shall, in addition, make such investigation for the purpose of ascertaining whether the invention, so far as claimed in any claim of the complete specification, has been anticipated by publication in India or elsewhere in any document other than those mentioned in Sub-section (1) before the date of filing of the plaintiff's complete specification. Thus, it is humanly impossible for any examiner to check for prior art in all the databases not only of patents granted or pending in all languages all over the world, but also all other documents or publications including prior knowledge in any language anywhere in the world. Therefore, Section 13(4) examination and investigation leading to grant of patent shall not be deemed in any way to warrant the validity of any patent. In affidavit-in-rejoinder of Mr. Wagle, it is stated that invention is in respect of a particular way of manufacturing the gabion which has a particular utility and advantage and to cure the drawback in the earlier products available in the market. The plaintiffs in their reply and counter statement to counter claim have stated at various places that all elements were not known and/or available in the art and/or to the public and that what was known prior in the technology in the related field were gabions made of wire which could be either welded or woven and that although gabions were generally known for a long period and substantially increased the efficacy of the product and has solved many known problems and that the invention though seems simple was unknown before and solves the known limitations of the technology known earlier. Thus, the plaintiffs have at different places in different pleadings stated that their invention is for an improvement over the prior art and not for a new product. They were alleged to have concealed the material fact on their patent application, which they later admitted that Gabions of other kind were in existence before the date of their patent application.

55. The defendants have denied that they have started production and sale of the infringing gabions only after hiring defendant Nos. 2 to 6 who were in employment of plaintiff and were possessing the know-how of SRG Invention. It was contended that at no point of time during their course of employment with plaintiff, they were involved in the development of alleged product for which the plaintiff has filed the suit. The defendant No. 4 was earlier employed at the plaintiff's service and was promoted as Senior Executive-Marketing during the employment. It has also been admittedly stated by the plaintiff that defendant No. 5 was earlier employed at the plaintiff's service and was working as Senior Executive-Quality Assurance during his employment. It was also stated that according to the information of the defendant, the defendant Nos. 4 & 5 both had rejoined the plaintiff's organization. It is thus quite clear that defendant had no access to the alleged technical know how. As has been pointed out, looking to the state of prior art, publicly known, in existence and use, the technological advance claimed was obvious to the persons skilled in the art.

56. Much has been argued about the fact that the Learned Single Judge disregarded three affidavits of experts and relied on three truncated documents of defendants. One of the documents in Hindi alleged to be truncated, produced on the record was Bihar Government's letter dated 22.04.1993. The said letter was written and signed by Baijnath Prabhav, Jt. Secretary, Bihar Government. The plaintiffs have time and again heavily and selectively relied upon some paragraphs from the case of American Cyanamid, but have conveniently avoided other decisions in this regard. It is observed by the Delhi High Court in the case of Bilcare Ltd. v. Supreme Industries Ltd. 2007 (34) PTC 444 that it is no part of Court's function at this stage of the litigation to try to resolve conflicts of evidence on affidavit as to facts on which the claims of either party may ultimately depend nor to decide difficult questions of law which call for detailed argument and mature considerations. These are matters to be dealt with at the trial. Thus, there is no question of deciding this issue on the basis of the affidavits filed by the experts. It is, therefore, sufficiently made out a case before this Court for dismissal of appeal and confirmation of order passed by the learned Single Judge.

57. Before parting, we deem it fit to mention here that this very Division Bench had earlier decided OJ Appeal No. 201 of 2007 with CA No. 331 of 2007 on 25.1.2008 whereby the order passed by the learned Single Judge was quashed and set aside and the order of the learned trial Judge granting ad-interim relief was restored and the said interim relief was ordered to be continued till final disposal of the suit. The Division Bench had also made it clear that ultimately if the appellants fail in succeeding the suit, the respondents would be entitled to the damages to the extent of loss suffered by them for discontinuing their business because of grant of the interim relief. The quantum of loss was ordered to be decided, if need so arises, by the Court while disposing of the suit on merits. The appellants in that OJ Appeal were directed to file an undertaking before the Court to the said effect.

58. The above judgment and order was challenged before the Hon'ble Supreme Court in Civil Appeal No. 1759 of 2008 arising out of SLP (C) No. 4685 of 2008 and while disposing of the said Appeal on 3.3.2008 the Hon'ble Supreme Court has observed as under:

> Having gone through the impugned order, we are of the view that the Division Bench has not analysed the scheme of the Patents Act, particularly in the context of Section 13(4) read with Sections 47 and 48 of that Act, particularly the effect of counter claim. This analysis was important as the Division Bench was required to consider the effect of the registration of the patent.

59. After making the aforesaid observation, the Hon'ble Supreme Court set aside the impugned order of this Division Bench and restored OJ Appeal No. 201 of 2007 and remitted the matter for fresh consideration in accordance with law. The Court kept contentions of both sides open without expressing any opinion on the merits of the case. However, looking to the matter being of importance and urgency the Court directed the Division Bench to hear and decide the matter as expeditiously as possible and not later than four weeks from the date of the order i.e. 3.3.2008.

60. Thereafter, another Division Bench of this Court has taken up OJ Appeal No. 201 of 2008 for hearing and during the course of hearing both the sides have worked out consensus to proceed ahead with the suit itself instead of investing time and labour in hearing of the application for

interim relief considering the urgency of the matter and they have placed on record the schedule of the steps to be taken by the parties.

61. While disposing of the said Appeal, the Court has reproduced the said schedule in the order and also recorded the assurance given by the parties that they would cooperate in proceeding with hearing of the suit on the basis of the said schedule. The Court has further recorded that respective parties shall maintain separate account in relation to the dispute between the parties so as to ensure that whichever party succeeds ultimately, the Court will be in a position to make appropriate directions. The Court has further directed the parties to ensure that the accounts maintained by them are scrutinized and certified by a Chartered Accountant and copies thereof placed on record of the suit.

62. Since in the present case, the learned Single Judge while refusing to grant absolute injunction directed the defendant No. 1/present respondent No. 1 in Appeal to maintain accounts of sale, after observing this Court order dated 26.10.2005 passed in Appeal From Order No. 350 of 2005, and further directing the defendant No. 1 to furnish guarantee in favour of this Court, through the Registrar General for payment of Rs. 5 lacs to the plaintiffs in case the plaintiffs finally succeed in the matter, no further directions are required to be issued except that the accounts maintained by the parties are scrutinized and certified by a Chartered Accountant and copies thereof placed on record of the suit.

63. From the foregoing discussion and taking overall view of the matter, we find ourselves in agreement with the interlocutory order passed by the learned Single Judge. Subject to the above direction, we dismiss this appeal and confirm the interlocutory order of the learned Single Judge with a clarification that the suit and the counter claim shall be decided in accordance with law, without being influenced by any observation in this order.

64. Since appeal is dismissed, all applications preferred therein are accordingly disposed off reserving liberty to the respondents-defendants to move appropriate applications before the learned Single Judge seeking permission for production of additional evidence and the learned Single Judge decide the said applications, if moved in accordance with law, without being influenced by any observation made by us in this order. Looking to the facts and circumstances of the case, the suit be expedited.