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

Reserved on:16th May, 2019
Date of decision: 14th August, 2019

\+ **CS (COMM) 201/2017**

SHOGUN ORGANICS LTD. ..... Plaintiff
Through: Ms. Rajeshwari H., Mr. Tahir A. J. & Ms. Swapnil Gaur, Advocates (M-9910206718)

versus

GAUR HARI GUCHHAIT & ORS. ..... Defendants
Through: Mr. Manoj Kumar Sahu and Mr. P. C. Arya, Advocates for D-1 to 3. (M: 9953689591 & 9818021816)
Mr. Manav Kumar, Advocate for D-4 & 5. (M: 9654448699)

CORAM:
JUSTICE PRATHIBA M. SINGH

JUDGMENT

Prathiba M. Singh, J.

1. The Plaintiff - Shogun Organics Limited, a company engaged in the research, manufacture and sale of mosquito repellents has filed the present suit seeking a permanent injunction restraining infringement of its Patent IN-236630 *(IN'630)*. The patent relates to a "*Process for manufacturing d-trans Allethrin*," which is used as an active ingredient in mosquito repellents and other mosquito control products.

2. The claim of the Plaintiff is that it researched and developed a six-step process for synthesis of d-trans Allethrin, which is an insecticide. The explanation of the process is given in the specification and the claims. The patent was applied for on 10th May, 2007 and the date of grant was 13th November, 2009. A pre-grant opposition was filed by Defendant No.4 –

Manaksia Ltd., which was decided in favour of the Plaintiff and the patent was thereafter granted on 13th November, 2009. The grant was duly published on 20th November, 2009.

3. After grant of the patent, a post-grant opposition was filed by Defendant No.5, an Italy-based company named Endura SPA, and Defendant No. 4. On 26th June, 2013 the post-grant opposition was successful and the patent was revoked. On 18th August, 2014, the IPAB set aside the order of the patent office and restored the patent. Since then, the patent remains valid. The Defendants impleaded in the suit are M/s Solex Chemicals Pvt. Ltd. - Defendant No.2, and one of its Directors as Defendant No.1, Orachem Pvt. Ltd. - a trading partner of M/s Solex Chemicals Pvt. is Defendant No.3, Defendant No.4 - Manaksia Ltd. has made investments in M/s Solex Chemicals Pvt. Ltd. and Endura SPA has taken over the factory and the manufacturing facilities of Manaksia Ltd.

4. After the grant of patent, the Plaintiff conducted investigations, which revealed that the Defendants were selling d-trans Allethrin in India by themselves and through various distributors, retailers, etc. The active ingredient was also sold to manufacturers of other mosquito repellents such as coils and sprays under the brands Maxo, Mortein, etc. It was further revealed to the Plaintiff that Manaksia Ltd. was granted a registration under Section 9(4) of the Insecticides Act, 1968 for indigenous manufacture of d-trans Allethrin. Owing to the fact that Manaksia's licence was under Section 9(4), which is a follow-on licence unlike a new/original licence, the Plaintiff suspected that the process of the Defendants would be identical to that of the Plaintiff.

5. The Plaintiff then bought a product under the brand name 'Maxo',

which used the Defendants' active ingredient. At that stage, the Plaintiff also came to know that Manaksia Ltd. had transferred its licence under the Insecticides Act to M/s. Solex Chemical Pvt. Ltd. All the companies together were using the same insecticide licence for manufacturing d-trans Allethrin. The Plaintiff got certain tests conducted and found that there were various marker compounds, as also specific impurities which were unique to the Plaintiff's process. The Plaintiff also found that the isomer content was also similar to that of the Plaintiff's product, thus, the Plaintiff concluded that the Defendants were using the patented process. Accordingly, the Plaintiff filed the present suit seeking a permanent injunction restraining infringement of its patent, as also damages/ rendition of accounts.

6. On 19th December, 2014, summons were issued in the suit. On 23rd December, 2014, the following order was passed:

> **"***Let the written statement be filed by the defendants within four weeks. Replication, if any, be filed within two weeks thereafter.*
>
> *List on 23rd February, 2015.*
>
> *Learned counsel for the defendants is agreeable that in the written statement, he will disclose the fact as to whether the defendants have actually started manufacturing of the impugned goods or not and in case, the defendants have already started, then he will provide the details of the batch numbers.* **"**

7. Since there was no compliance of the above order which directed the Defendants to inform the Court as to whether they were manufacturing the goods, affidavits were directed to be filed vide order dated 21st July, 2015. The said order also directed the Defendants to disclose their process. The said order reads:

> "*Learned counsel for the plaintiff has pointed out that*

the order dated 23rd February, 2015 where the defendants agreed to disclose in their written statement as to whether they have actually started manufacturing of the impugned goods or not and in case they have already started to do so, they will provide the details of the batch numbers. Learned counsel for the defendants have informed that they have not disclosed the said information in their written statements. Let the affidavit(s) be filed by the defendants in terms of the order dated 23rd February, 2015 within two weeks from today. In the said affidavit (s), they will also disclose the process of their products in addition to the earlier information."

In response thereto, the affidavits filed by the Defendants read-

Affidavit filed on behalf of Defendant No. 1, 2 & 3

"*I, Ruchi Singh W/o Vinay Kumar Singh, aged about 39 years, office at 2B, Ground Floor, Solitaire Plaza, M.G. Road, Gurgaon – 122002, presently at New Delhi, do hereby solemnly affirm and declare as under:*

1. *That I am the constituted attorney of the Defendant no. 1, 2 & 3 in the present matter and such as I am well conversant with the facts of the case competent to swear this affidavit.*
2. *That this affidavit is being filed in compliance with the solemn order passed by this Hon'ble Court on 21st July, 2015, wherein the Hon'ble Judge has been pleased to direct, "Let the affidavit(s) be filed by the defendants in terms of the order dated 23rd February, 2015 within two weeks from today. In the said affidavit (s), they will also disclose the process of their products in addition to the earlier information."*
3. *That it is humbly submitted that the deponent herein has already submitted an affidavit before this Hon'ble Court on 30th April 2015 disclosing the particulars of the batch numbers of the products produced by*

Defendant no. 2 (Solex Chemicals Pvt. Ltd.). In the said affidavit it was also stated that Defendant No. 1 (Gaur Hari Gurchhait) and Defendant N no. 3 (Aura Chem Pvt Ltd) are not engaged in manufacturing D-trans allethrin.

4. *The particulars disclosed in the earlier affidavit is reproduced herein below:*

Name of Defendants	*Manufacturing D-trans allethrin*	*Using D-trans allethrin for final product*	*Batch no.*	*Year of manufacture*	*CIB no.*
Gaur Hari Gurchhait (Defendant No. 1)	*No*	*No*	*N/A*	*N/A*	*N/A*
Solex Chemicals Pvt. Ltd (Defendant No. 2)	*Yes*	*No*	*Latest produced batch No. AL20150404 Latest batch No provided to Manaksia: AL20150404 invoice no 006 dated April 11th, 2015*	*2015*	*CIR – 66,087/2007-D-TRANS ALLETHRIN(T) (272) - 1261*
Aura Chem Pvt Ltd (Defendant No. 3)	*No*	*No*	*N/A*	*N/A*	*N/A*

5. That the defendant no. 1,2 & 3 have provided the details as directed by this Hon'ble Court. No other details are available or have been suppressed by the

defendants.

6. In respect of the direction of the Hon'ble Court to disclose the process of the products of the defendants, the deponent respectfully submits that the plaintiff's patent number no. 236630 is under challenge in a post grant opposition proceeding before the Learned Controller of Patents. That on 26th June, 2013 the Learned Controller of Patents had allowed the post grant opposition and revoked the patent. Subsequently, the plaintiff preferred an appeal before the IPAB. By an order dated 18th August, 2014 the post grant opposition has been remanded back to the Patent office for a de novo hearing. The matter is part heard. The defendants crave leave to make further submissions in this regard on the next date of hearing."

Affidavit filed on behalf of Defendant Nos. 4 and 5

"*I, Deb Jyoti Ghosh, S/o Baidyanath Ghosh, aged about 35 years, office at 2B, Ground Floor, Solitaire Plaza, M.G. Road, Gurgaon – 122002, presently at New Delhi, do hereby solemnly affirm and declare as under:*

1. That I am the constituted attorney of the Defendant nos. 4 & 5 in the present matter and such as I am well conversant enough with the facts of the case and competent to swear this affidavit.

2. That this affidavit is being filed in compliance with the solemn order passed by this Hon'ble Court on 21st July, 2015, wherein the Hon'ble Judge has been pleased to direct, "Let the affidavit (s) be filed by the defendants in terms of the order dated 23rd February, 2015 within two weeks from today. In the said affidavit (s) they will also disclose the process of their products in addition to the earlier information.'

3. That it is humbly submitted that the deponent herein has already submitted an affidavit before this Hon'ble Court on 30th April 2015 disclosing the particulars of the batch numbers of the products used by Defendant

No. 4 (Manaksia Ltd.). In the said affidavit it was also stated that Defendant No. 5 (Endura Spa) is not engaged in manufacturing D-trans allethrin.
4. The particulars disclosed in the earlier affidavit is reproduced here in below:

Name of Defendants	*Manufacturing D-trans allethrin*	*Using D-trans allethrin for final product*	*Batch no.*	*Year of manufacture*	*CIB no.*
Manaksia (Defendant no. 4)	*No*	*Yes*	*Latest produced batch No. 12 hrs coil MHP364 month code – April 2015 Latest batch No. produced with d-trans allethrin provided by Solex (by using batch AL20150304 of March 2015): 12 hrs coil MHP364 month code – April 2015*		*CIB registration no. for 12 hrs coil (d trans Allethrin) : CIR 46, 634/2003/d trans Allethrin (Mosquito Coil) (239) - 915*
Endura Spa (Defendant no. 5)	*No*	*No*	*N/A*	*N/A*	*N/A*

5. That the defendant nos. 4 & 5 have provided the above details as directed by this Hon'ble Court. No other details are available or have been suppressed by

the defendants.

6. In respect of the direction of the Hon'ble Court to disclose the process of the products of the defendants, the deponent respectfully submits that the plaintiff's patent number no. 236630 is under challenge in a post grant opposition proceeding before the Learned Controller of Patents. That on 26th June, 2013 the Learned Controller of Patents had allowed the post grant opposition and revoked the patent. Subsequently, the plaintiff preferred an appeal before the IPAB. By an order dated 18th August, 2014 the post grant opposition has been remanded back to the Patent office for a de novo hearing. The matter is part heard."

8. Thus, all the Defendants failed to disclose the process of manufacture which was being used by them. On 12th March, 2018 the Court framed the following issues:

> **"***From the pleadings of parties following issues are made out:-*
>
> 1. *Whether the Plaintiff's patent IN 233660 is pre-published and lacks novelty in view of the CIB Regitration No. CIR-25,228/97/D-trans Allethrin (TECH) granted to the plaintiff? OPD*
> 2. *Whether the defendants have not infringed the plaintiff's registered patent IN 233660? OPD*
> 3. *Whether the plaintiff is entitle to the decree of permanent injunction as prayed for? OPP*
> 4. *Whether the plaintiff is entitle to the decree of damages, as prayed for? OPP*
> 5. *Whether the plaintiff is entitle for rendition of accounts, as prayed for? OPP*
> 6. *Relief***"**

9. On 3rd August, 2018, since the injunction application had remained pending since inception and there was no interim injunction, the application was disposed of. The Plaintiff examined one witness - PW 1. The

Defendants did not lead any evidence, as recorded in order dated 3rd November, 2018. Thereafter, the matter was heard finally.

Submissions of counsels

10. The submission of ld. counsel for the Plaintiff, Ms. Rajeshwari is that the Plaintiff was granted registration under Section 9(3) of the Insecticides Act on 17th March, 1997. The Defendant's registration is a follow-on registration under Section 9(4). Repeated orders were passed directing the Defendants to disclose their process, which they did not comply with. Even the affidavit that was filed by the Defendants on 4th August, 2015 does not actually disclose the process, but merely mentions the pendency of the post-grant opposition before the IPAB. An expert affidavit of Mr. Ramesh Lad has been filed by the Plaintiff to establish infringement and no counter-affidavit has been filed by the Defendants to rebut the said expert affidavit. Ld. counsel also relies upon a letter dated 9th February, 2011 issued by the Central Insecticides Board & Registration Committee, which clearly mentions that a registration under Section 9(4) of the Act is given only to such a party whose insecticide has the same process of manufacture as the original Section 9(3) registrant. On the strength of these three documents - namely the Defendant's Section 9(4) registration, the letter issued by the CIBRC and the expert affidavit of Mr. Ramesh Lad, ld. counsel argued that infringement stands established. She also relies upon the finding in the order deciding the pre-grant opposition, which clearly distinguishes the various prior arts, and thus, establishes the novelty and inventive character of the Plaintiff's innovation.

11. Ld. counsel further submits that Manaksia Ltd., Defendant No.4

having opposed both at the pre-grant and the post-grant step and having led no evidence in support of its case of lack of novelty and inventive step, the grant of the patent and the unsuccessful nature of the Defendants' challenge shifts the onus on the Defendants. Further, the fact that Defendant had filed a pre-grant opposition goes to show that it ought to have waited till the same was decided, rather than launching the product.

12. Mr. Manav Kumar appearing for the Defendants submits that the main plank of his argument is that the process for manufacture of d-trans Allethrin was disclosed in the application filed by the Defendants with the CIBRC on 20th February, 2006. The registration was granted to the Defendant on 13th November, 2009 and the Plaintiff's patent is dated 10th May, 2007, thus, the invention is itself in the public domain. Since enormous reliance has been placed by the Plaintiff on the grant of registration under the Insecticides Act, if the process applied for by the Defendants is identical to the patented process and was disclosed in the said application, the Plaintiff's patent is, *per se*, invalid. He, further submits that PW-1 had admitted that the Defendants' process of manufacturing is the same as that of the Plaintiff, and that its application under the Insecticides Act was prior to the Plaintiff's filing, since the Defendants' process was being investigated by the licensing officer and not the Plaintiff's process, the immunity granted under Section 30 of the Patents Act is also not available.

13. He further relies upon a printout of the Plaintiff's website, which claims that d-trans Allethrin is being sold since 2002 as per its own website screenshot, which was admitted by PW-1. Since the Plaintiff has not made out a case that the earlier process had any shortcomings which required it to apply for a new process, the patent is not liable to be recognized. Moreover,

Mr. Ramesh Lad was also not produced before the Court. Since the Plaintiff has not discharged the onus of proving infringement, the Defendant did not require to lead any evidence. In fact, based on the existing record, the Defendant submits that the Plaintiff's patent is invalid. Under Section 60 of the Indian Evidence Act, 1872, evidence of infringement has to be direct evidence and not reliance upon an opinion, and, thus, non-production of Mr. Ramesh Lad as a witness goes against the Plaintiff.

14. Mr. Manav Kumar further submits the word "*public*" qua the Plaintiff would include the Defendants i.e. the fact that the Defendants and the persons employed under them knew the patented process and had applied for the same under the Insecticides Act prior to the patent being filed itself proves public use and public knowledge of the invention. Insofar as the Plaintiff is concerned, the Defendants are members of the public.

15. Ms. Rajeshwari, ld. Counsel, on the other hand rebuts the submissions of ld. Counsel for the Defendant and submits that in order for the patent to be revoked under Section 64 of the Patents Act, the invention has to be publicly known and publicly used. Since the Plaintiff's website does not disclose the process of manufacture, no member of the public can ascertain the process of manufacture of d-trans Allethrin and thus, the invention is good in law.

16. She relies on the judgment of the Bombay High Court in ***Lallubhai Chakubhai Jarivala v. Shamalda Sankalchand Shah AIR 1934 Bom 407*** to argue that if the members of the public cannot ascertain the patented process from the publication, then prior public use is not established.

17. She relies on the testimony of PW-1 who states that prior to the patent

being issued, a different process was in use for manufacture of d-trans Allethrin. She submits that prior use has to be established strictly and not merely by surmises. Reliance is placed on Section 26 of the Patents and Designs Act, 1911 to argue that the novelty of the process is not destroyed unless there is public use. The same principle is also contained in Section 64 of the Patents Act which requires public use and not secret use. Reliance is placed on Section 64(1)(e) and (f) read with Section 64(2) of the Patents Act. Further, the use of 'any person' in Section 30 shows that even the Defendant's application under the Insecticides Act is covered by the exception contained therein. She submits that a perusal of a news report in the Telegraph dated 11th February, 2014 shows that the Defendants were planning commercial launch only in February, 2014 and not before, while the patent dates back to 2007. This press news also establishes the relationship between the various Defendants. It also makes it clear that the approval under the Insecticides Act has been given to Manaksia. Thus, as of 2014, there were only plans to commence manufacture. Further, there is no evidence on record on behalf of the Defendants to show that there was any prior public use of all the 6 steps contained in the patented process.

18. The documents on record clearly establish that the Defendants are supplying the active ingredients to various coil manufacturers, including Jyoti Laboratories which manufactures mosquito repellent coils under the brand name 'MAXO'.

19. It is further submitted by Ms. Rajeshwari, ld. Counsel that though the expert Mr. Ramesh Lad himself did not appear, the evidence of PW-1 shows that the expert report was prepared under his supervision. The Defendants were repeatedly asked to produce the process adopted by them, which they

failed to do.

Analysis & Findings

20. This Court has heard the submissions of the parties. A perusal of the pleadings shows that the Plaintiff – Shogun Organics Ltd. has been granted a patent for the process of manufacturing of d-trans Allethrin. The said process has gone through several levels of scrutiny, including a pre-grant opposition by Defendant No.4, a post-grant opposition wherein the patent was revoked and an order by IPAB setting aside the said revocation and reinstating the patent. The patent is thus a valid patent, and subsists as on date. The claims of the suit patent read as under:

> *" We Claim:*
> *1. Process of manufacturing d-trans Allethrin comprising of following steps:*
> *a) charging d-trans Ethyl chrysanthmate into a reactor at a temperature of 5 to 10 degrees C alongwith 75 gms of Sodium Hydroxide, 154 gms of water and 96 gms of Methyl Alcohol,*
> *b) subjecting reactants for saponification and distilled off methyl alcohol at atmospheric pressure of 4 kg.*
> *c) cooling of contents at 20 degrees C and further acidification with sulphuric acid wherein sodium chrysanthmate is converted into d-trans crysathemic acid.*
> *d) adding 1.70 kgs quantity of petroleum ether which forms two layers, petroleum layer containing d-trans crysathemic acid and water layer with dissolved sodium sulphate.*
> *e) Allowing two layers to settle for 1 hour, water layer is drained to effluent tank and d-trans crysathemic acid remains in the reactor,*
> *f) Carrying distillation of d-trans crysathemic acid at 20 degrees*
> *g) Treating d-trans crysathemic with 150 grams thiunyl*

chloride, thus forming d-trans crysathemic acid chloride which is further dissolved in N-H-heptane solvent.
h) adding 540 grams d-allethrolne (72: 21) 230 grams pyridine and 600 grams toluene with d-trans chrysanthanic acid chloride in a reactor gradually resulting to desired d-trans allethrin.
2. The process of manufacturing d-trans allethrin as claimed in claim 1 wherein hydrogen chloride gas is scrubbed using caustic scrubber directly.
3. The process of manufacturing d-trans allethrin as claimed in claim 1 & 2 wherein the organic layer containing d-trans allethrin is distilled off to yield desired end product."

21. The Defendants, in their written statements have alleged that the invention is prior published, prior used and hence lacks novelty. According to the Defendants, the process disclosed in IN '630 was known, because the approval for manufacture of the insecticide was granted to the Plaintiff on 17th March, 1997. Thus, according to the Defendants, the filing of the patent ten years after the approval was granted shows that the same is prior published and prior used. Apart from the averments relating to the pre and post grant opposition proceedings, the Defendants further rely upon the order of the Controller dated 26th June, 2013 which has since been set aside. Apart from these averments, the entire written statement is merely a denial of the plaint. The Defendants have failed to lead any evidence in the matter. As stated earlier hereinabove, the Defendants also failed to disclose their process.

22. A perusal of the evidence filed by PW-1 shows that the witness clearly states that d-trans Allethrin was being prepared by various processes, which suffered from shortcomings and disadvantages. In order to overcome

these shortcomings, the Plaintiff invented a six-step synthesis process which is cost effective. Para 5 of the affidavit reads as under:

> *"5. I say that, the present suit relates to a process of manufacturing "D-trans Allethrin", a compound which is used as active ingredient in mosquito repellants and mosquito control products such as Coils, sprays and other insect repellant products. D-trans Allethrin, also known in the trade as "Esbiothrin", "EBT" and by various other names is an important insecticidal active ingredient (a.i.). D-trans Allethrin is responsible for the insecticidal activity of these products and their effect against target insects. Prior to the Plaintiffs invention, D-trans Allethrin was being prepared through other processes that suffered from various shortcomings and disadvantages. The Plaintiffs product is superior and efficient because the Plaintiff has devised a simple six step synthesis process which is cost effective. The process covered by the suit patent can be replicated in small laboratory scale experiments as well as large commercial scale production giving a minimum of 93% pure content. The product obtained using the process of the suit patent shows high efficacy, gives maximum repellant and knockdown effect against mosquitoes and low human toxicity."*

23. The witness also gives details of the various steps in the process of manufacture of DTA and he states that there are various marker compounds which could be found in the Defendants' product establishing the infringement of the process. He filed a supplementary affidavit stating that his duties entailed supervising operations of the company "*including manufacturing and quality control lab*." He further relies upon a judgment of the District Judge, Thalassery dated 23rd February, 2016 wherein a permanent injunction was granted protecting the Plaintiff's rights in the suit

patent against a third party. PW-1 also filed a certificate under Section 65B of the Evidence Act to rely upon various printouts from the website.

24. In his cross-examination, the witness states that he used to supervise the production, Research and Development, quality control and administration of the Plaintiff and that he is the head of the R&D department from 1996 till date.

25. He admits that prior to the process patented by the Plaintiff, there were processes for manufacture of d-trans Allethrin and that d-trans Allethrin was available in the market prior to 2007, however, the same contained some deficiencies and shortcomings. He denied the suggestion that d-trans Allethrin was being manufactured by the Plaintiff since 2002. In the cross-examination, the witness admits that the terms selection of solvents, specific molar ratio in which ingredients are charged, high yield and purity are not mentioned. He admits that the usage of D-allathrone and Toluene solvent are mentioned in the specification, as also the analysis reports. He further states that the technical analysis of Ex.PW-1/23 was conducted under his supervision. He admits that he himself did not conduct the analysis of the 'MAXO' coil, which contains the Defendants' D-trans Allethrin. The said analysis was conducted by the In Charge & Chemist in the R&D department of the Plaintiff. The witness admitted that the Defendants' registration under Section 9(4) of the Insecticides Act was prior to the Plaintiff's application for its patent.

Issues that arise for consideration

26. There are two parallel issues that have arisen in the present case. The first is the submission based on the provisions of the Insecticides Act and the

approvals granted thereunder. The second is the infringement of patent under the Patents Act. Both parties have made their submissions on these two areas of consideration in a completely conflated manner. The approvals under the Insecticide Act, in the facts of this case, have to be treated independently of the patent. This is because D-trans Allethrin as a product was known much prior to the Plaintiff's suit patent. The existence of D-trans Allethrin prior to the Plaintiff's application for the suit patent is not in dispute, however, details of the pre-existing processes have not been placed before the Court. The Plaintiff obtained its registration for D-trans Allethrin under Section 9(3) of the Insecticides Act in 1997, and the Defendant obtained its registration under Section 9(4) in 2007. The application by the Defendant was made in 2006. There is no doubt that the Defendants' approval is subsequent to that of the Plaintiff and is under Section 9(4). What is however, not established on record is as to which was the process that was being followed by the Plaintiff and the Defendants, which was disclosed to the authorities under the Insecticides Act. In the absence of any details as to the process which was disclosed by both parties to the Insecticides Authority, it cannot be held that the mere fact that the Defendants' registration is a follow-on registration under Section 9(4) would lead to the inference that there is an infringement of patent.

27. The patent being of 2007 vintage, is not in any manner connected with the Plaintiff's registration or the Defendants' registration under the Insecticides Act. Thus, the issue that arises in the present case has to be decided independently of the said registrations. The Plaintiff places enormous reliance on a letter issued by the Central Insecticide Board which reads as under:

"....
Point-II
M/s. Shogun Organics Ltd. Mumbai, is the only registrant registered u/s 9(3) of Insecticides Act for indigenous manufacture of D-trans-allethrin technical in India.
Point-III
The applicant of 9(4) registrant should have the same process of manufacture as the original 9(3) registrant to make the same product with the same chemical composition as per the existing R.C. Guidelines. Therefore, it is quite clear that the term "Same Condition referred to in reply dated 15.10.2010 interalia implies "Same process of Manufacture also"

This observation of the CIBRC cannot automatically mean that there is an infringement of the patent.

28. A perusal of the issues framed in the suit shows that with respect of the two main issues i.e. lack of novelty and non-infringement, the onus has been placed on Defendants.

Issue No. 1 - Whether the Plaintiff's patent IN '630 is pre-published and lacks novelty in view of the CIB Registration No. CIR-25,228/97/D-trans Allethrin (TECH) granted to the plaintiff? OPD

29. Insofar as the question of novelty of IN '630 is concerned, the stand of the Defendants is that the same is pre-published in view of the registration granted under the Insecticides Act to the Plaintiff in 1997 and the Defendant in 2007. The Defendants have not filed a counter claim in the present suit as they were pursuing a post-grant opposition. The pre-grant opposition filed by Defendant No.4 was decided in favour of the Plaintiff. The findings in the said pre-grant opposition order dated 30th June, 2009 are that there were

four prior art documents marked as D-1 to D-4 which were relied upon by the Opponent (Defendant No.4). The Deputy Controller of Patents holds that the Plaintiff's patent has a clear advantage that it does not leave any unreacted d-trans ethyl chrysanthmate (DTEC). It is also held that the prior art documents do not specifically teach the Plaintiff's process for manufacture of D-trans Allethrin. It was further held that the patent involves inventive steps and a technical advancement. It is also held that the opponent failed to establish prior public use and prior public knowledge of the process. Further, the order also comes to the conclusion that "*the process employs new reactants such as thionyl urea and n-heptane (step g) which are not disclosed in the cited art, and hence it cannot be considered as mere use of a known process, and the opponent's arguments in this regard cannot be considered as valid under Section 3(d) of the Patents Act, 1970*". Under these circumstances, the opposition was rejected and the patent was allowed to proceed for grant. The review against the said order was also dismissed.

30. However, in the post-grant opposition, the Patent Office undertook a detailed analysis in its order dated 26th June, 2013 and revoked the patent. This order was set aside by the IPAB vide order dated 18th August, 2014 on the ground that there was no definite finding in the order. Further, the IPAB also held that the expert evidence given by the Plaintiff's expert was ignored by the Board. Since the IPAB found that there was total non-application of mind, the post-grant opposition order was set aside and the patent was reinstated. It is submitted by both counsels for the parties that the post-grant opposition continues to remain pending.

31. As held above, the Defendants, who took the onus upon themselves to show that the patent lacks novelty and that it is prior published, have failed

to lead any evidence on record. Under the Patents Act, under Section 107 the grounds that can be relied upon for revocation of a patent, can also be defences to an allegation of infringement. The said provision reads as under:

> "*107. Defences, etc. in suits for infringement. – (1) In any suit for infringement of a patent every ground on which it may be revoked under section 64 shall be available as a ground for defence.*
> *(2) In any suit for infringement of a patent by the making, using or importation of any machine, apparatus of other article or by the using of any process or by the importation, use or distribution or any medicine or drug, it shall be a ground for defence that such making, using, importation or distribution is in accordance with any one or more of the conditions specified in section 47."*

The Defendants thus ought to have led evidence in the matter to prove lack of novelty. The Defendants' counsel has argued that the certificate given by the CIBRC itself proves that the process was prior published. The Plaintiff's witness, on the other hand, has categorically stated that there were several processes for manufacture of D-trans Allethrin which were prevalent prior to the patented process. However, the patented process was an innovative process meant to overcome the deficiencies in the existing process. In the case of a patent for a new process, unless and until it is shown that the very same process was disclosed by the Plaintiff to the authorities under the Insecticides Act, it cannot be held that the process is prior published. Unlike in the case of a product patent, in a process patent, to destroy the novelty of the same, the main steps of the patented process would have to be previously disclosed. The Defendants have not been able to show that the steps were disclosed previously. A reading of the patent specification itself shows that

the patentee seeks to patent a special six step process, as disclosed therein. The detailed process of manufacture is also mentioned in the patent. According to the patentee, the process is of high efficacy and a low human toxicity product. The witness who appeared on behalf of the Plaintiff concedes that there were various other processes which were available prior to the patented process. Thus, it cannot be said that merely because there was an earlier insecticide registration in favour of the Plaintiff, the patented process was disclosed. The Defendants having not led any evidence to establish prior publication or lack of novelty and the Plaintiff having led evidence of its witness, as also in view of the orders passed in the pre-grant opposition and the IPAB, Issue no.1 is decided against the Defendants.

Issue No. 2: Whether the defendants have not infringed the plaintiff's registered patent IN '630? OPD

32. This issue is also worded in the negative, and the onus has been placed on the Defendants. The reason for this appears to be the background in which the Defendants failed to disclose the process which was adopted by them. The Court repeatedly directed the Defendants to disclose their process, which they failed to do. The affidavits filed were cryptic and did not answer the question posed by the Court.

33. Under Section 104A, whenever the subject matter of a patent is a process, the Court can direct the Defendants to prove that the process used by the Defendants is different from the patented process. Recently in ***Communications Component Antenna Inc. v ACE Technologies Corp. and Ors.***, ***CS (COMM) 1222/2018, Decided on 12th July, 2019*** this Court has held that the Defendant cannot withhold its best evidence, especially if

the same is within its own knowledge. The extract reads as under:

> *"64. It was quite convenient and easy for the Defendants to produce the beam patterns of their antenna to argue that they do not infringe the patent of the Plaintiff. The bare denial being given shows that the Defendants have deliberately chosen not to produce the beam patterns. In any event, the claims of the invention, and the beam patterns attached in the patent specification, show that the beam patterns need not be identical to the drawings accompanying the specification. Minor variations would not obviate infringement. Equivalence would also apply. The preferred embodiments of an invention are what they say, i.e., they are only the "preferred" embodiments. They are not the only embodiments. The claims are broader than the preferred embodiments and have to be read as such.*
>
> *65. The technical opinion produced by the Defendants seeks to limit the Plaintiff's patent to the beam patterns contained in paragraph 28 of the plaint, which it cannot do. The Defendants have not produced any documents to show that they have followed any other invention or any other prior art document, in the construction of their antenna. The withholding of beam patterns, by the Defendants, leads this Court to draw an adverse inference against the Defendants, as the Defendants have withheld and not disclosed the most crucial aspect of this case i.e., the beam patterns of their antennae.*
>
> *66. In a patent infringement action, once the Plaintiff, prima facie establishes infringement, the onus shifts on the Defendants, to disprove the same. The complete silence by the Defendants shows that there is, in fact, withholding of relevant and crucial information from the court. During the course of arguments, since the beam patterns were not produced on record, it was put to the Defendants if the antenna could be made*

> *available for inspection by a scientific expert appointed by the Court, to which no positive response was elucidated by the Defendants. A perusal of the claims, complete specification, and the beam patterns read with the two reports by the experts, placed on record by both parties, clearly establishes infringement. The Defendants' expert has not dealt with the issues raised head on in respect of the beam patterns, but has sought to deflect the issue. Thus, at this stage the Court has no option but to draw an adverse inference against the Defendants."*

34. In the present case, the new product sought to be patented was D-trans Allethrin manufactured with a new process. The Defendants did not again, lead any evidence to show why the Defendants' process is not infringing. In order to establish the same, the Defendants would have had to:

a) disclose their process;

b) highlight the differences in the process; and

c) show that the product obtained from the Defendants' own process has different properties or reactants or ingredients, though it could still be D-trans Allethrin.

35. None of this is done by the Defendants. On the other hand, the Plaintiff's witness has, in his affidavit shown the manner in which the process used by the Defendants is the same as that of the Plaintiff by conducting a HPLC (High Performance Liquid Chromatography) test.

36. Paras 18, 19 and 20 of the affidavit of PW-1 are relevant and are set out below:

> *"18. I say that, accordingly, in order to further ascertain the information received, the Plaintiff purchased samples of MAXO coils available in Delhi, and caused them to be analysed for the presence of*

active ingredient d-trans Allethrin as well as the other marker compounds. I say that the analysis of d-trans Allethrin sample manufactured by Defendants and that of the Plaintiff were conducted using high performance liquid chromatography technique. Upon such analysis, the Plaintiff found that the said coils contain d-trans Allethrin as active ingredient. Furthermore, the active ingredient d-trans Allethrin revealed inter alia the presence of Toulene, d-trans Chrysanthemic acid, d-Allethrolone as impurities in significant amount. Isomer content of this d-trans Allethrin (Ratio of isomers) also was similar to Plaintiffs product d-trans Allethrin. The Plaintiff submits that presence of said marker compounds along with this specific isomer content in the composition is possible only when the process of the Plaintiff is employed. The presence of such compounds, solvents, isomers in the samples of the Defendant analysed by the Plaintiff leads to the incontrovertible conclusion that the Plaintiff's patented process has been employed in the production of D-trans Allethrin by the Defendants. The summary of the analysis conducted is herein below:

No.	Compound	Retention time (minutes)	Content% Defendant product	Content % Plaintiff product	Conclusion
1	Toluene	8.0	0.0850	0.1518	Present in both
2	d-Allethrolone	3.4	0.4842	0.5617	Present in both
3	d-trans chrysanthemic acid	3.2	0.0087	0.0032	Present in both
4	D-trans Allethrin	19.5	96.0404	95.9054	Product, present and similar in both

The copy of the full set of the analysis results for the aforesaid samples detailing the procedure, method of analysis, system used, including Standard graphs for

Toluene, d-Allethrolone, d-trans chrysanthemic acid, has already been filed in the suit and the test report tilted "Determination of Purity and Impurities of d-trans Allethrin by HPLC' be exhibited as ***Exhibit PW-1/23****.*

19. I say that on examining the analysis report, I note the following:

a. All the four compounds d-All, d-trans CA, Toluene and product d-trans Allethrin were detected in both samples;

b. The retention times which indicate the compounds detected namely, d-All, d-trans CA, Toluene and d-trans Allethrin are almost same (within normal statistical differences). All of these results indicate that the samples SOL (Plaintiff) and DEF (Defendant) involve the use of same reactants and solvents to give same results. This is possible only when the same process is used. Additionally, isomer content of both samples is also similar, which is possible when same process is used.

c. The process as disclosed at IN 236630 would result in a final product with total trans isomers 98% minimum (almost entire trans content). In order to examine the ratio of the final isomers formed, a special method capable of separating and quantitatively detecting the samples was developed by HPLC. In this analysis method used, two trans isomers can be seen, with first trans isomer peak 70% minimum content. The method of analysis and results of both samples SOL (Plaintiff) and DEF(Defendant)has already been filed in the suit and the test report tilted 'Estimation of Isomers of d-trans Allethrin by HPLC be exhibited as ***Exhibit PW-1/24****.I say that on comparing both samples results, they appear to have similar isomer content. The retention time of isomers is also similar in both samples as is summarized below:*

	SOL Content %	DEF Content%	Retention time (minutes)
First trans isomer	74.6181	74.1480	19.9
Second trans isomer	24.8452	24.4614	32.8
Total	99.46	98.60	

d. That, on comparing both the samples, I note that both samples have similar isomeric profile of the ratio of two isomers. Therefore, I conclude that both these samples having similar results have been synthesized using the same process conditions.

20. That, in the light of the foregoing results, I conclude that the Defendant's d-trans Allethrin sample tested shows presence of d-trans chrysanthemic acid, d-Allethrolone and Toluene, which occur during the practice of the Plaintiff's patented process. The isomer content is also similar which arrives from using Plaintiffs patented process. Furthermore, I state that the presence of these compounds and this composition indicates that the Defendants are using the Plaintiffs proprietary process to manufacture their d-trans Allethrin Product."

37. The witness of the Plaintiff was the head of the R&D wing of the Plaintiff. The HPLC test was conducted under his supervision, as stated by him in cross-examination. What is noteworthy is the fact that the manner in which he arrives at the identity in the two processes is not challenged in cross-examination. The witness states that he would expect d-allethrolone (d-All) reactant and Toulene solvent in the final steps of the process, and hence there would be traces of these substances in the final product. He also specifically states that the D-trans Allethrin contained in the final product is a mixture of 2 trans-isomers being S-trans isomer and R-trans isomer in the

ratio of 3:1 respectively.

38. He accordingly states in para 11 of his affidavit which is as under:

> *"11. I say that the presence of the said marker compounds as well as the presence of isomeric components in same ratio i.e. first trans isomer around 75% and second trans isomer around 25% (ratio of 3:1) in a D-trans Allethrin product would indicate that the product has been prepared using the Plaintiff's patented process. The specific trans isomer ratio maintained in the final product results from selection of specific solvents, the ratio of ingredients, the specific sequence of steps and the parameters employed in the process."*

39. In cross-examination, he is merely asked as to whether the inventive steps mentioned in the affidavit are contained in the Plaintiff's patent. According to the witness, as per his affidavit, the novelty in the patent results in the following feature:

> *"8. I say that the main inventive steps of the Plaintiff's new patented process lies in the selection of solvents, the specific molar ratios in which the ingredients are charged, the specific sequence and order of the steps, the temperature and other process parameters employed in the process to achieve the ultimate objective i.e. manufacturing D-trans Allethrin having minimum of 93% purity in optimal yields. I further say that the inventive step also lies in the low temperature used for saponification, selection of solvents at each step, all of which leads to production of D-trans Allethrin in high yield and purity.*
>
> *9. I, state that I have examined the various steps as disclosed in claim 1 and note that there are various reagents/reactants used in the different steps of the suit patent and these include d-trans Ethyl chrysanthemate, d-trans chrysanthemic acid, d-trans chrysanthemic acid chloride and d-allethrolone, which finally results*

in the end product "d-trans Allethrin". The process also involves the use of Methyl Alcohol, Petroleum ether, Thinoyl chloride, n-Heptane and Toluene."

40. In cross-examination, the witness is only asked as to whether the advantages are set out in the patent itself, to which the witness's answer is in the negative. However, there is no gain saying that the patent does disclose all the important features of the invention, namely, the selection of solvents, specific molar ratios, the specific sequence, the various steps, the temperature and other process parameters. It also discloses the various re-agents and reactants used in the suit patent. The witness has made an analysis of the suit patent and given his own reasons as to why the suit patent discloses a novel invention. The same ought to have been dislodged by putting to him in cross-examination that these features do not exist in the Plaintiff's patent. Instead what is put to the witness in cross-examination is that the analysis is not contained in the specification.

41. Any patent that discloses a novel process would not contain an analysis of the process itself. It would merely discuss the prior art, mention the advantages of the inventive process and disclose the exact process sought to be patented. The disclosure of the process is different from an external analysis of the process as to how it is novel and inventive. The latter was contained in the expert testimony of the Plaintiff's witness. The Plaintiff's witness also analyses the results obtained from the HPLC and the manner in which the retention time of isomers is similar in both the samples. These test results are not dislodged in cross-examination. The authenticity of the test results is also not questioned.

42. While the Defendants themselves failed to lead any evidence to

establish that there is no infringement, the Plaintiff led evidence to show that the Defendants' process is infringing. The ratio in ***Lallubhai Chakubhai*** is clear. The Court in said the case has held as under:

> *"The only issue is whether there was a public user. Mr. Khan referred us to many cases including (1815) Holt 58, 3 E1. & B1. 256 : 9 M. & W. 300 and 23 Cal. 702 and he contended on the strength of those cases that if articles are manufactured under a secret process and then sold openly, that amounts to public user of the process. The principle enunciated in the Calcutta case as being that established by the English cases is that where profit is openly derived from the employment of a secret process there is a public user of such secret process. Now, it is to be noticed that none of those cases was dealing with an Act in the terms of Section 38 of the Patents and Designs Act of 1911, which distinguishes clearly between public user and private user. Whether a process has been publicly used or not is, as all the cases show, a question of fact. I have no doubt that in numerous cases the sale of an article manufactured under a secret process may amount to a public user of the process, because the article may be of such a character that anybody buying it and getting it examined by experts can ascertain the secret of its manufacture, and if the article is of that character, the sale of the article in public would, in my opinion, involve a disclosure of the secret of manufacture and thus amount to public user of the process. But in this case the article manufactured is an almond treated by a particular process which makes the shell whiter and smoother than the shell in its natural state, and I do not myself, see how anybody purchasing an almond treated by this process could ascertain the method of treatment, and there is nothing in the evidence on record to lead me to think that this view is wrong. It seems to me that, at any rate, in a case to which the Indian Patents and Designs Act applies, if you have an*

> *article manufactured under a secret process and that article is of such a character that nobody by examining it can find out the secret of that manufacture, then the sale of that article in public cannot amount to public user of the process. That is the case here, and therefore in my judgment the defendant has not succeeded in showing that the process of the plaintiff had been publicly used prior to the issue of the letters patent."*

43. From the above, it is clear that unless and until there is a clear disclosure of the process itself in the prior art, it cannot be held that the patent is prior published. There is no evidence by the Defendant to rebut the Plaintiff's case of infringement. The Defendants have thus failed to discharge their onus.

44. Moreover, it is well-settled that even if the process was disclosed to the authority under the Insecticides Act, the same would not constitute prior disclosure or public disclosure. Section 26 of the Indian Patents and Designs Act, 1911, by analogy, is relied upon by the Plaintiff as to what is required is public manufacture, use or sale. The said Section reads as under:

> *"26.(iii) that he, or any person under or through whom he claims an interest in any trade, business or manufacture, had publicly manufactured, used or sold, within British India, before the date of patent anything claimed by the patentee as his invention."*

Thus, in order to constitute disclosure, there has to be public manufacture, use or sale.

45. Even in Section 64 of the Patents Act, 1970, which deals with revocation of patents, in order for a patent to be hit by prior art, there has to be public knowledge or public use. If there is secret use under Section 64(2), the same would not constitute prior publication. Section 64(2) reads as

under:

> "*64 (2) For the purposes of clauses (e) and (f) of sub-section (1)—*
> *(a) no account shall be taken of personal document or secret trial or secret use;"*

In ***J. Mitra and Co. Pvt. Ltd. v. Kesar Medicaments and Ors***. ***2008 (36) PTC 568 (Del.),*** a ld. Single Judge of this Court has clearly held that Section 30 of the Patents Act exempts communication to the Government. The Court held as under:

> *"104. Learned Counsel further submitted that Section 30 of the said Act specifically exempts manufacturing and submission to government authorities from testing and evaluation from anticipation. The said provision is as under:*
>
> *30. Anticipation by previous communication to Government. An invention claimed in a complete specification shall not deemed to have been anticipated by reason only of the communication of the invention to the Government or to any person authorised by the Government to investigate the invention or its merits, or of anything done, in consequence of such a communication, for the purpose of the investigation.*
>
> *105. The market approval for the commercial sale of the said product after testing in respect of the product of the plaintiff was given on 24.07.2000. The date of expiry of the batch evaluated of the said product in the WHO Report is stated to be Nov. 2001 and the Shelf life is mentioned as 12 months.*
> *106. Insofar as the prior working of the device by the plaintiff is concerned, it may be noticed that while the report referred to by learned Counsel for defendant No. 2 of January 2001 mentions HCV Tri-dot as one of the products tested, the subsequent report of July*

2001 mentions 4th Generation HCV Tri-dot as one of the products evaluated. The cumulative list of commercially available assays in the said report mentions both the HCV Tri-dot and 4th Generation HCV Tridot assays. Nothing has been placed on record to show that the two tests are similar or that there is no distinction between the same. The WHO report (January 2001) however, does not mention whether the 'HCV Tri-dot' is a third generation product.

107. Section 30 of the said Act exempts the communication of the invention either to the government or a person authorised by the Government for the investigation of the invention or its merits from challenge on the ground of anticipation.

108. The batch of HCV Tri-dot 4th Generation evaluated by the WHO evaluated was manufactured in November 2000 which is after the date of the patent application. There is no other material on record which shows that the 4th Generation HCV Tri-dot was being manufactured by the plaintiff prior to the date of the patent application. Thus, it cannot be said from the material on record that the plaintiff has worked the impugned product prior to the date of the application."

46. The process as contained in the suit patent consists of the following steps:

"Step I

d-trans Ethyl chrysanthemate is charged into the reactor along with methyl alcohol, solid sodium hydroxide and water

Step II

The reactants are refluxed until saponification is complete and the menthanol (methyl alcohol) is distilled off at atmospheric pressure

Step III

The contents are cooled to 20 degrees Celsius and the material is acidified by the addition of sulphuric acid. The acid converts the sodium chrysanthemate to d-trans chrysanthemic acid.

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Step IV

Petroleum Ether is added. The d-trans chrysanthemic acid goes into the petroleum layer while sodium sulphate remains dissolved in the water layer. The two phases are allowed to settle for 1 hour. Later the water layer is drained to the effluent tank and the organic layer goes to the reactor.

Step V

The solvent is distilled to obtain pure acid. The acid is treated with thionyl chloride to make chrysanthemic acid chloride, which is dissolved, in a suitable solvent.

Step VI

d-Allethrone (72:21), pyridine and tolouene are added to the reactor. The acid chloride is added gradually to the reaction mass. The reaction occurs forming d-trans Allethrin. Hydrogen chloride gas is scrubbed using a caustic scrubber. D-trans Allethrin thus formed remains in the organic layer. The solvent is distilled off and pure product of required quantity is obtained."

Unless these very steps have been disclosed prior to the application for the patent, it cannot be held that the patent is hit by anticipation or lack of inventive step. Moreover, the language of Section 30 now makes it clear that the disclosure to a Government Department or to any other authority, not just of the patentee, but by any other person would not constitute prior publication. The language is person-neutral. It cannot be said from a reading of the provision that only disclosure by the patentee/applicant is covered

under Section 30. It is also well settled that preparatory steps taken for launching a product, either by the Plaintiff or by the Defendants cannot be held to constitute disclosure unless and until there was public disclosure of the same.

47. Under these circumstances, it is held that the Plaintiff is entitled to a permanent injunction restraining the Defendants from manufacturing, selling or offering for sale D-trans Allethrin which infringes the suit patent IN-236630. The patent is valid till 2027. The Defendants are further directed to render account of sales of D-trans Allethrin manufactured and sold by them. Upon such accounts being rendered, the Defendants shall pay 5% of the sales as disclosed, as compensation/loss of profits to the Plaintiff. Actual costs are awarded to the Plaintiff. It is directed that the accounts shall be rendered within a period of 8 weeks from today.

48. List before the Joint Registrar on 13th September, 2019 for furnishing of accounts by the Defendants.

49. Decree sheet be drawn as per paragraph 47 above.

PRATHIBA M. SINGH
JUDGE

AUGUST 14, 2019
Rahul/dj