
(1976) 12 CAL CK 0005
In the Calcutta High Court

Imperial Chemical Industries Limited	APPELLANT
Vs	
Controller General of Patents and Others	RESPONDENT

Date of Decision : 13-12-1976

Acts Referred:

Constitution of India, 1950 — Article 226
Patents Act, 1970 — Section 116(2), 12(12), 125, 13(2), 130

Citation : (1978) 1 ILR (Cal) 710

Hon'ble Judges : Chittatosh Mookerjee, J

Bench : Single Bench

Advocate : R. Lal, Sib Kumar Majumdar, Miss Monisha Lahiri, for the Appellant; S.D. Banerjee, Tarun Bose, Subrata Roy for opposite party No. 1, Ram Panjani, Ashis Ghose and Raj Panjani for opposite party No. 2, for the Respondent

Judgement

Chittatosh Mookerjee, J.—The petitioner is a company incorporated under the Laws of United Kingdom having its registered office at London. On August 6, 1958 the petitioner company had filed an application for granting patent in respect of "CATALYSTS AND HYDROCARBON STEAM REFORMING PROCESS USING THEM" under the Indian Patents and Designs Act,, 1911. Thereupon, on 23rd March, 1963 the Patent Office, Calcutta accepted the said application of the petitioner. On August 5, 1958 the petitioner was granted Patent No.77950 in respect of the said invention. A copy of the specification which according to the petitioner described, ascertained the nature of the said invention and the manner in which the same is to be performed has been made in Annexure "A" to the writ application. The petitioner has been regularly paying annual fees for renewal of the said patent.

2. On 20th April, 1972 the provisions of the Patents Act, 1970 other than Ss. 12(12), 13(2), 28, 68, 125 and 130 came into force. On December 16, 1972 the Patent Office, Calcutta made the following endorsement in the entry of the petitioner's patent in the Register of Patents "deemed to be endorsed licenses of right under S. 87 of the Patent Act, 1970".

3. In May, 1975, A. H. Lalji as the Managing Director of the Catalysts and Chemicals India (West Asia) Limited had written a letter to the Director of Research of the petitioner company proposing to enter into an agreement for granting licence to M/s. Catalyst and Chemical India (West Asia) Limited to manufacture I.C. 46-1 Neptha reforming catalyst covered by the petitioner's said patent Specification No.77950. But no mutual agreement was made between the parties. Thereafter, on March 29, 1976 Catalysts and Chemicals India (West Asia) Limited, the respondent No.2, made an application to the Controller General of Patents, Patent Office, Calcutta for settlement of the terms of (under?) S. 88(2) of the Patent Act, 1970 in respect of Patent No.77950 for "CATALYSTS AND HYDROCARBON STEAM REFORMING PROCESS USING THEM" held by the Imperial Chemical Industries Limited, the present petitioner. The circumstances in which the said application under S. 88(2) had been made were set out in the statement accompanying the said application. The respondent No.2 also made an application before the Controller General of Patents under S. 88(4) of the Patent Act, 1970 for permitting it to work the aforesaid patented invention of the petitioner company on such terms, as the Controller General might pending his decision under S. 88(3) think fit to impose. The Patent Office served the notices of the said proceedings under sub-ss. (2) and (4) of S. 88 of the Patents Act, 1970 upon M/s. Remfry & Sons, Patent Attorney for and on behalf of the petitioner company. The prayer made by M/s. Remfry & Sons for granting further time for submission of replies was not granted. The petitioner had, however, filed replies to the aforesaid applications under sub-ss. (2) and (4) of S. 88 of the Act within the stipulated time. Thereafter, on May 28, 1976 the Controller General of patents, the respondent No.1` heard both parties in respect of the application of the respondent No.2 in respect of the latter's application under S. 88(4) of the Patents Act. On June 4, 1976, the respondent no.1 passed his order under S. 88(4) of the Act permitting the respondent no.2 to work the aforesaid-patented invention of the petitioner subject to the terms set out in his decision under S. 88(3) of the said Act of 1970.

4. Thereafter, on August 6, 1976 the petitioner company obtained the present Rule under Article 226 of the Constitution of India. It has inter-alia prayed that the aforesaid order under S. 88(4) of the Act dated 4th June, 1976 and the notices and proceedings concerning the two applications under sub-ss. (2) and (4) of S. 88 filed by the respondent No.1 be quashed. The petitioner further has prayed that a writ in the nature of mandamus be issued commanding the respondent no.1 to delete from the Register of Patents the entry made on 16th December, 1972 in the Register against Patent No. 77950 to the effect that the said patent is deemed to be endorsed with the words "licences or right" under S. 87 of the Patent Act of 1970. The petitioner's further prayer is for prohibiting the respondent no.2 under S. 88(2) of the Patents Act, 1970. The learned Judge who issued the present Rule granted stay of the operation of the impugned order under S. 88(4) of the Act. The said interim order has been subsequently extended till the disposal of the Rule.

5. Mr. Lal, learned Advocate for the petitioner has submitted that the aforesaid patent held by the petitioner company is in respect of a chemical substance and not relating to the methods of processes for the manufacture or production of chemical substance within the meaning of s. 87(1)(iii) of the Patents Act, 1970. Therefore, the said patent cannot be deemed to be endorsed with the words "licenses of right" from the date of commencement of the Act of 1970. Therefore, the provisions of S. 88 do not apply in respect of the petitioner's aforesaid patent bearing Specification No. 77950. Mr. Lal has further submitted that the Controller General has no jurisdiction under S. 88 (4) to permit the respondent no.6 to work the aforesaid-patented invention pending his decision under S. 88(3) of the Act. Mr. Lal has also submitted that the application under S. 88(4) filed by the petitioner was defective in form and, therefore, the same cannot be entertained. Mr. Lal has also submitted that assuming the petitioner's patent must be deemed to be endorsed with the words "licences of right", the Controller General has not acted in accordance with law in settling the terms for working of the same by the respondent no.2 inasmuch as he did not apply his mind to relevant facts and circumstances and took into consideration irrelevant matters.

6. Having given my anxious consideration to the submission made both on behalf of the petitioner and also on behalf of the respondents, I am not inclined to interfere with the impugned order under S. 88(4) of the Act passed by the Controller General of Patents and Designs. The terms for working a patented invention which is deemed to be endorsed with the words "licences of right" may be mutually agreed upon between the patentee and licensee. Failing mutual agreement, the Controller General may settle the terms thereof (vide sub-ss (1) and (2) of S. 88). Pending agreement between the parties under S. 88(1) or pending his decision under S. 88(3), the Controller General may allow the patented invention to be worked. As soon as the parties mutually agree in terms of S. 88(1) or the Controller General under S. 88(3) decides the terms as the case may be, the interim order under S. 88(4) would cease to be operative. Section 116(2) of the Patents Act, 1970 provides that an appeal shall lie to the High Court from the decision of the Controller General under S. 88(3) of the Act. The legislature, however, has not thought fit to give any right of appeal from an interlocutory order under S. 88(4) of the Patents Act, 1970. A decision under S. 88(4) does not involve any final adjudication of the rights of the parties. Undoubtedly, unless a patent comes within the scope of S. 87(1), the Controller General, in exercise of his powers under S. 88(4) cannot permit the said patented invention to be worked. But having regard to the scheme of the Patents Act, 1970 which provides for a final adjudication under S. 88(3), the Controller General at the stage of S. 88(4) is required to form only a prima facie opinion as to whether the patent in question is deemed to be endorsed with the words "licences of right". Such a decision under S. 88(4) subject to appeal under Chapter XIX of the Patents Act ultimately replaces and overrides and interlocutory order passed under S. 88(4).

7. Therefore the impugned order under S. 88(4) does not amount to a conclusive and final decision as regards the question whether the patent held by the petitioner relates to methods or processes for manufacture or production of chemical substances within the meaning of S. 87(1) (iii) and therefore, should be deemed to be endorsed with the words "licences of rights". The Controller General at the time of his final decision under S. 88(3) would be required to again determine the said question because unless the patent comes within the scope of S. 87(1), the terms on which a licence for working the same cannot be settled. Any party, who might feel aggrieved by the final order under S. 88(3), would be entitled to prefer an appeal in this Court under s. 116(2). The amplitude of such an appeal would be much wider than the present writ application. This Court exercising its said appellate jurisdiction would be in a more advantageous position to do complete justice between the petitioner and the respondent no.2. Therefore, this Court in the exercise of its writ jurisdiction should appropriately decline to enter into the merits of the respective cases of the petitioner and the respondent no.2. If at this interlocutory stage I pronounce my opinion upon the elaborate submissions made by the learned Advocates for the two contending parties, the same might have the effect of pre-judging the pending application under S. 88(2) and the same might prejudice a fair disposal of the same. Further, any pronouncement upon the merits may cause embarrassment to this court in the matter of disposal of future appeal, if any, that might be taken from the Controller General's final decision under s. 88(3). At present there is no stay of further proceeding under S. 88(3), but I understand that the Controller General has adjourned the matter pending the decision in this writ application. Mr. Banerjee, learned Advocate, for the respondent no.1 has submitted before me that it would be possible for the Controller General to make a decision under S. 88(2) within six weeks. It may be also pointed out that the specification relating to the aforesaid patent having been filed on 5th August, 1961, the patent is due to expire on August, 1977. Therefore, in any event any order by this Court relating to the working of a licence in respect of the aforesaid patent is likely to be for a very short duration.

8. The learned Advocate for the petitioner with some force contended before me that in case an order is without jurisdiction even if such order is a temporary one, this Court should not hesitate to strike down the same. But in the instant case it cannot be said that on the face of record the Controller General lacked jurisdiction to pass any interlocutory order under s. 88(3). The Controller General in passing his order under S. 88(4) has read the specifications of the petitioner's patent in a particular way. This Court in the exercise of its writ jurisdiction cannot interfere because that possibly or probably these specifications might be read in a different way. Whether the Controller General has committed any error of law is a matter for consideration by the Appeal Court. It cannot be said that the impugned order is erroneous on the face of the record *ex facie*, is without jurisdiction and, therefore, null and void. The petitioner company does not dispute the observations of the Controller General in his order under S. 88(4).

that while Specification Nos.1 to 18 of his patent relate to the substance or the product, the Specification Nos. 19 to 24 set out different alternative processes for production of the steam reforming catalyst covered by the aforesaid patent. Sitting in the writ jurisdiction at the interlocutory stage of the proceeding, it would not be a proper exercise of discretion to consider whether the petitioner's patent is for a chemical substance only and whether the claims and processes were mentioned in the application for granting patent only as a matter of practice. Therefore, I need not set out the different rules formulated for reading specifications of a patent. The Controller General is yet to decide under S. 88(3) as to whether in the instant case the patent resides in the substance or in the process. It has been already noted that in the instant case, the specifications in the petitioner's patent include claims both in respect of the product and the process. The question whether the pith and marrow of the patent resides in the product or in the process of this invention should be left for decision under S. 88(3) subject to future appeal, if any. It may be noted that the reported decisions show that the "doctrine of pith and marrow" was applied in deciding actions for infringement of patents. See *Ven der Lely v. Bamfords*, 1963 RPC 6x and *Rodi and Wienenberger v. Showell*, 1969 RPC 367 etc. T.A. Blanco White in his book *Patents for Invention* (4th Edition)(1974) at pages 89-90 discussed the said "doctrine of pith and marrow" in the context of actions for infringement of patents. The learned Advocate for the respondent no.2 also relied upon pages 386-390 of *Terrell on The Law of Patents* (12th Edition). The said infringement referred to the doctrine of pith and marrow inter alia observed that although the doctrine of substance or pith and marrow was not dead, but... "in view of the detailed nature of the modern claims there can be little scope for its application in practice now-a-days" (vide page 386). It may be also pointed out that the learned Advocate for the petitioner did not place any authority which would support his submission that considering the nature of a patented invention, the Court should apply this "doctrine of substance or pith and marrow" or order to ascertain whether the said patent resided in the product or in the process both of which have been specified, i.e., deciding the relative importance of the different specification of patented invention.

9. The learned Advocate for the petitioner submitted before me that the entry dated December 16, 1972 in the petitioner's patent to the effect that the patent shall be deemed to be endorsed with the words "licences of right" under S. 87 of the patent Act, 1970 was invalid. He submitted that the petitioner was not given any hearing and claimed that the petitioner had no knowledge about the said endorsement until the proceedings under S. 88 had commenced. The present writ petitioner concludes with a prayer for making an order under S. 71 of the Patents Act, 1970 in respect of the said entry in the Register relating to petitioner's aforesaid patent. Section 71 of the Patents Act provides that the High Court may on the application of any person aggrieved rectify the Register of Patents maintained under S. 67 of the Act. The petitioner has not applied under S. 71 for rectification of the entry dated December 16, 1972. Therefore, a prayer

for rectification in terms of S. 71 cannot be entertained in this writ application. The point whether the said entry should be omitted or not is accordingly left open. The Register under S. 72(2) is a prima facie evidence of matters required or authorized by under the Patents Act to be entered therein. Mr. Panjawani, learned Advocate for the respondent no.2 has drawn my attention to S. 67(1)(b) which inter alia provides that notifications of assignments and of transmission of patents, of licences under patents, etc. shall be entered in the Register of Patents kept at the Patents Office and he has contended that all the three kinds of licences, namely voluntary licences, compulsory licences and licences as of right or statutory licences are required to be entered in the said Register. But at the same time a right to make an application under sub-ss. (2) and *(4) of S. 88 arises not merely by reason of making an entry in the Register under S. 67 but by a reason of a patent becoming subject to a statutory licence under S. 87 of the Act. Thus, a right to obtain a licence under S. 88 is derived from the provisions of S. 87 read with S. 88 of the Act.

10. The Controller General in his order under S. 88(4) has given his reasons at length for passing the impugned interlocutory order. I am not exercising the appellate powers. Therefore, I would not be justified in substituting my views in place of those of the Controller General on the question whether an interlocutory order pending final adjudication under S. 88(4) should be passed or not. I have already observed that the order under S. 88(4) does not result in a final adjudication determining the rights of the patentee and the person applying for licence. Therefore, it would be proper exercise of discretion not to interfere at the stage while keeping the question and rights of the parties open to be adjudicated under S. 88(3) subject to appeal, if any, therefrom. I have already mentioned that the respondent no.1 though his counsel has expressed his readiness to conclude the pending proceeding under S. 88(3) within a period of six weeks. Accordingly, I do not intend to interfere with the impugned order. The learned Advocate for both the parties cited before me a large number of reported decisions on the question of exercise of writ jurisdiction vis-?-vis existence of alternative remedy. It is unnecessary to lengthen this judgment by considering those cases. In those matters the Court is guided not by any rule of straightjacket or procedure and in each case the Court exercises its discretion in a judicious manner in deciding whether in spite of existence of an alternative remedy, the Court should issue any writ. In the present case, I have already given reasons why I do not consider the present case to be a fit one for interference under Article 226.

11. In the above view, it is not necessary for me to decide about the correctness or otherwise of the other submissions made by the learned Advocates for both parties. I only note that while Mr. Lal, learned Advocate for the petitioner, submitted before me that under Patents and Designs Act, 1911 both a product or substance and the process or processes for production or manufacture of such substances or product were capable of being separately patented, Mr. Panjawani, learned Advocate for the respondent no.2, submitted that a chemical product per

se could not be patented. The learned Advocate for both parties also placed before me different provisions of the Act of 1911 and the Act of 1970. Mr. Panjawani also placed various materials which he considered as relevant for understanding the background for enactment of the Patents Act, 1970. It is unnecessary to deal with these broader questions for disposal of this writ application arising out of an interlocutory order under S. 88(4) of the Patents Act, 1970. This question and controversies between the parties as already observed remain to be finally decided at the time of the passing of the order under S. 88(3) subject to the appellate order, if any. Further, this specification of the petitioner's patent mentioned both about the chemical substance and the processes. Whether in substance the patent related to the chemical substance only or not and whether the claims regarding the processes in the petitioner's patent were set out have been only provisionally decided. After final decision, both parties would have ample opportunities to agitate their respective submissions in appeal, if any, under S. 116(2) of the Patents Act of 1970 from the final order.

12. The learned Advocate for the petitioner also submitted before me about the different terms and conditions laid down by the Controller General for granting permission to work the patent under S. 88(4). He contended that the Controller General did not take into consideration relevant materials and, on the other hand, had relied upon on certain materials which were not germane and he had thereby ignored the provisions of S. 87(6) read with sub-ss. (1), (2), (4) and (5) of Ss. 93, 94 and 95 of the Patents Act, 1970. But I have already mentioned that the terms under S. 88(4) are tentative and provisional and subject to Controller's decision under S. 88(3) about the terms on which the licence should be granted. Mr. Panjawani, learned Advocate for the respondent No.2, himself submitted that once the terms are decided under S. 88(3), the order under S. 88(4) would cease to be operative and the terms under S. 88(3) would take effect from the date of the passing of the order under S. 88(2). Therefore, terms imposed under S. 88(4) are without prejudice to the terms which may be ultimately decided upon by the Controller General. In the above view, this Court in the exercise of its writ jurisdiction should not interfere with the said terms.

13. The learned Advocate for the petitioner tried to contend before me that the application under S. 88(4) filed by the respondent no.2 was defective as regards verification etc. The Controller General in his order has considered the said point and has found against the petitioner. I am not prepared to exercise writ jurisdiction for considering objections relating to form which neither affected merits of the application nor affected the jurisdiction of the Controller General under S. 88(4) of the Act.

14. In the above view, I discharge this Rule without any order as to costs.

15. The respondent no.1 is directed to dispose of the pending application of the respondent no.2 in accordance with law. The order under S. 88(4) will not preclude both parties from making their respective submissions both on the

question whether the petitioner's licence must be deemed to be endorsed with the words "licences of rights" and as regards the terms for granting a licence in favour of the respondent no.2. The Controller General is directed to dispose of the said matter within a period of six weeks from this date.

16. On the prayer of Mr. Mazumdar, for the petitioner, let the operation of the order so far as proceedings under S. 88(4) is concerned be stayed for ten days from date. There will be no stay of proceedings under S. 88(2) read with S. 88(3) of the Patents Act, 1970.