

(2020) 03 DEL CK 0156

In the Delhi High Court

Case No : Civil Suit (OS) No. 576 Of 2019, Miscellaneous Application No. 15741, 15742, 15743, 16443 Of 2019

Prof. Dr. Claudio De Simone & Anr

APPELLANT

Vs

Actial Farmaceutica Srl. (Formerly Known As Cd Investment Srl.) & Ors

RESPONDENT

Date of Decision : 17-03-2020

Acts Referred:

Constitution Of India, 1950 — Article 19(1)(g), 19(6), 21
Drugs and Cosmetics Act, 1940 — Section 2(b)
Specific Relief Act, 1963 — Section 4
Income Tax Act, 1961 — Section 6
Indian Contract Act, 1872 — Section 27
Trade Marks Act, 1999 — Section 27(2)
Patents Act, 1970 — Section 7, 10, 25, 48, 84

Citation : (2020) 03 DEL CK 0156

Hon'ble Judges : Rajiv Sahai Endlaw, J

Bench : Single Bench

Advocate : J. Sai Deepak, Tarun Singhla, Avinash K. Sharma, Ankit Tiwari, Rishesh Sikarwar

Final Decision : Dismissed

Judgement

Rajiv Sahai Endlaw, J

1. The two plaintiffs, namely (i) Professor Dr. Claudio De Simone resident of Switzerland; and, (ii) Next Gen Pharma India Pvt. Ltd., New Delhi,

have instituted this suit against defendants no. 1 to 5, namely (a) Actial Farmaceutica Srl, formerly known as CD Investment Srl; (b) CD Pharma

India Private Limited; (c) VSL Pharmaceuticals, Inc.; (d) Franco Pirovano; and, (e) Sun Pharma Laboratories Ltd., pleading that, (i) the plaintiff no.1,

at the end of 1990s, developed formulation known as the De Simone Formulation, with a high bacterial concentration identified by a unique

immunological and enzymatic profile manufactured by mixing strains with very high degree of concentration and in a specific ratio amongst them; the

said pro-biotic formulation was made from blending of eight strains of bacteria; (ii) De Simone formulation was initially registered with US Patent

Department under No.5716615 on 10th February, 1998, with plaintiff no.1 as a co-inventor and the same was re-issued on 22nd January, 2008 with

plaintiff No.1 as sole inventor; (iii) though this patent expired on 9th February, 2015, the plaintiff no.1 is the sole owner of Know-How, strain selection

and blending ratio, which are secret till date, of De Simone formulation; (iv) that a Product Development and Collaboration Agreement dated 11th July,

2000 was executed between plaintiff no.1 and certain others for economic exploitation of the plaintiff No.1's inventions but the said agreement did

not purposely include De Simone formulation; (vi) a new company named CD International SA was established in Luxembourg where an Italian

company belonging to the plaintiff no. 1 and two others had 33% share each; (vii) CD International SA established the defendant no.1 in Italy and

which established defendant no.3 in USA; (viii) the plaintiff no.1 was appointed Chief Executive Officer (CEO) of defendant no.3 in accordance with

the aforesaid Product Development and Collaboration Agreement dated 11th July, 2000; (ix) the defendant no.3 acquired ownership rights over trade

mark VSL#3 on 18th September, 2000 and vide Patent License Agreement dated 30th January, 2001, the plaintiff no.1 granted license for

commercialization of De Simone formulation patent to defendant no.3, till the expiry of the patent, which expired on 9th February, 2015; (x) the right of

bulk manufacturing of De Simone formulation has been granted to an American company who sells the same only to parties/entities approved by

plaintiff no.1; (xi) that the Know-How and the ratio in which the strains are blended to make De Simone formulation is highly confidential and known

only to the plaintiff no.1 and informed to the manufacturers under strict conditions of confidentiality; (xii) on 28th January, 2010, the plaintiff no.1 and

the defendant no.3 entered into Know-How Agreement designed to ensure that the defendant no.3 too could continue to market De Simone

formulation in USA even after expiry of the patent; (xiii) the said Know-How Agreement was to become effective upon the expiration of the Patent

Licence Agreement dated 30th January, 2001 and was to remain in effect till 31st January, 2016 with right to the plaintiff no.1 to terminate earlier than

that; (xiv) that for Indian territory, vide Know-How Agreement dated 6th December, 2004, plaintiff no.1 granted permissive rights for a period of ten years starting from 6th December, 2004, to defendant no.2, to import De Simone Formulation and further market the same in India; (xv) the defendant no.2 was incorporated in India with plaintiff no.1 and three others as Directors; (xvi) the defendants no.1 to 4 including their representatives and distributors are collectively referred to as "CD Group"; (xvii) that on the basis of permission given by plaintiff no.1, defendant no.2 obtained Import Drug Licence from Drug Controller General of India (DCGI) for De Simone Formulation; (xviii) the defendant no.2 entered into agreements with drug manufacturers for packaging and marketing of De Simone Formulation in sachets and capsules; (xix) the DCGI approved De Simone Formulation for treatment of rotavirus diarrhoea in children, irritable bowel syndrome and mild to moderately active ulcerative colitis; (xx) in the year 2013, the majority shareholders of CD Group decided to modify / adulterate De Simone Formulation with qualitatively and quantitatively cheap ingredients and sell under the same brand VSL#3 (which belonged to CD Group) without obtaining necessary validation from the authority and without any retesting of the same on animals and humans; (xxi) plaintiff no.1 refused to co-operate with such plans and in the year 2014 walked away from the CD Group and terminated the Know-How Agreement dated 28th January, 2010 with defendant no.3 in November, 2014, for US territory; (xxii) that for the Indian territory, the plaintiff no.1, vide letter dated 8th June, 2014 informed defendant no.2 that he will not renew the term of the Know-How Agreement dated 6th December, 2004 beyond its initial term of ten years and the said agreement would stand automatically terminated on expiry of its initial term on i.e. 5th December, 2014; (xxiii) the Know-How Agreement dated 6th December, 2004 determined / terminated on 5th December, 2014 by efflux of time; (xxiv) the defendant no.2, after 6th December, 2014, ceased to have any right either to import De Simone Formulation in India or to market the same in India or to take advantage of any information which came during performance of aforesaid agreement dated 6th December, 2004 in any manner whatsoever; (xxv) that after walking away from the CD Group, the plaintiff no.1 has withdrawn authority to supply De Simone Formulation to CD Group and since second half of 2016 De Simone Formulation is no longer being marketed under the brand VSL#3 in Europe and

USA; (xxvi) the plaintiff No.1 has now collaborated with others for sale of De Simone Formulation in different countries of the world; (xxvii) De

Simone Formulation is now marketed also under the brand 'Visbiomea' in India and some other countries and under the brand 'Vivomixx' in

some other countries and under the brand 'De Simone' in Korea; (xxviii) vide Agreement dated 12th June, 2014 between the two plaintiffs, the

plaintiff no.1 has granted rights to plaintiff no.2 to import De Simone Formulation in India; at the same time defendant no.2 licensed the brand VSL#3

to plaintiff no.2 in consideration of royalty; (xxix) that since defendant no.2 was not in a position to procure and supply De Simone Formulation, the

defendant no.2 granted licence to plaintiff no.2 for use of the trade mark VSL#3 in consideration of royalty equivalent to 90% of the net sales of De

Simone Formulation supplied by plaintiff no.2 to defendant no.5 till expiry of the Know-How Licence Agreement dated 6th December, 2004 i.e. till 5th

December, 2014; (xxx) After 5th December, 2014, royalty at the rate of 15% of the sales value was payable by plaintiff no.2 to defendant no.2 for ten

years for use of the trade mark VSL#3; (xxxi) De Simone Formulation was first commercialized in India in 2007 and was available under brand

VSL#3 till March, 2018; (xxxii) that though CD Group ceased to have any right or authority to market De Simone Formulation but attempted to

counterfeit the same; (xxxiii) that on the basis of reverse engineering on De Simone Formulation, defendant no.4 made a counterfeit / spurious

formulation for CD Group which was launched in UK in the year 2015 under the brand VSL#3 without subjecting it to clinical trials or tests on animals

or humans; (xxxiv) that despite conducting reverse engineering on De Simone Formulation, CD Group could not find the exact bacteria used in De

Simone Formulation and could not make a copy equivalent to De Simone Formulation; (xxxv) that since the launch of VSL#3 in the manner aforesaid

by CD Group, several research groups have conducted comparative studies / research on De Simone Formulation vis-à-vis the new VSL#3 and

have found the new VSL#3 deficient and different from De Simone Formulation; (xxxvi) there have been litigations in different jurisdictions in this

respect; (xxxvii) CD Group applied to DCGI for licence to import and market the new VSL#3 but which application was rejected; as a tactical move,

the application was withdrawn on 10th April, 2018; (xxxviii) to work around the rejection of the application to import and market the new VSL#3 as a

drug, CD Group launched the same as a probiotic food in India under the brand VSL#3 in the year 2018; (xxxix) that while marketing new VSL#3 as a probiotic food under the brand VSL#3, the defendants are inducing public, authorities and professionals to believe that their product is the same as De Simone Formulation which was sold as drug under the same brand i.e. VSL#3; (xl) the defendants have retained the same trade dress and are publicizing the new VSL#3 as the same as De Simone Formulation, earlier sold under the said trade mark and are also on their website, relying upon study done of effect of VSL#3 formulation on children with severe sepsis; (xli) though earlier the defendants were, on their packaging, claiming the new VSL#3 to be having seven strains of bacteria, to go give false sense of similarity with the original VSL#3 De Simone Formulation, they have now started claiming that new VSL#3 contains eight strains of bacteria; (xlii) in any case, the new VSL#3 does not have same strain in same proportion as in De Simone Formulation; (xliii) that new VSL#3 is not merely a probiotic food but is a drug as defined in Section 2(b) of Drugs and Cosmetics Act, 1940; (xliv) the defendants cannot sell and market their new product under the brand VSL#3 or under any other brand identical or deceptively similar thereto; (xlv) the new VSL#3 is marketed as a probiotic food, to cause deception and confusion amongst buyers, traders and medical practitioners at the risk of health of patients; (xlvi) untested probiotic carries serious risks; and, (xlvii) various other litigations are pending in India also between the plaintiffs and the defendants.

2. On the aforesaid pleas, the reliefs of (i) permanent injunction to restrain the defendants from manufacturing, importing, advertising, selling, offering to sell and stocking their new product or any other formulation amounting to drug without getting appropriate approval from DCGI; (ii) permanent injunction to restrain the defendants from manufacturing their new product or any other formulation amounting to drug under the brand VSL#3 or under any other brand identical or deceptively similar thereto; and, (iii) permanent injunction to restrain the defendants from linking / relating their new product to plaintiff no.1 or to De Simone Formulation or to tests, research, studies conducted with respect to De Simone Formulation and ancillary reliefs thereto, have been claimed.

3. The suit came up first before this Court on 14th November, 2019, when after

noticing in brief aforesaid pleadings of the plaintiffs, the following order was passed:

2. A perusal of the plaint did not show the plaintiffs to have asserted any individual civil right in this suit.

3. The case of the plaintiffs is, (i) that the plaintiffs held a patent in USA and the term of which patent has expired; (ii) that the patented

product was being sold by the plaintiff under the brand VSL#3; (iii) that on expiry of patent, the plaintiffs have entered into Know-

How Transfer Agreements with others with respect to the same patented product and the said product is now being sold under the brand

VISBIOME and VIVOMIXX; (iv) that the defendants are selling a different product that is deceptively similar to the plaintiffs and

though the defendants had applied for drug license but withdrew the application on objection being taken by the plaintiffs; and, (v) that

now the defendants are selling the product without any permission from the DCGI.

4. I have straightaway enquired from the senior counsel for the plaintiffs whether not this suit, for enforcement of laws, rather than for

asserting any individual civil right, is barred by Section 4 of the Specific Relief Act, 1963 which provides that specific relief can be granted

only for the purpose of enforcing individual civil right and not for mere purpose of enforcing a penal law.

5. The senior counsel for the plaintiffs requests for matter to be taken up tomorrow to enable him to study the said aspect.

6. List on 15th November, 2019.

4. On 15th November, 2019, the senior counsel then appearing for the plaintiffs stated that the plaint was required to be amended and sought

adjournment therefor.

5. Though the plaintiffs thereafter filed IA No.16443/2019 for amendment of the plaint but the counsel for the plaintiffs, on 2nd December, 2019

argued de hors the application for amendment and contended that the plaintiffs, in prayer no.3 as under of the existing plaint are asserting a personal

civil right:

(iii) Pass a decree of permanent injunction restraining defendants from directly or indirectly linking / relating CD Product (described in

paras 30 and 41 of plaint) to plaintiff No.1 or to De Simone Formulation (described in para 3 of plaint) or to tests, researches, studies

conducted on De Simone Formulation or to treatment guidelines published for De Simone Formulation.â??

6. Inter alia the following order was passed on 2nd December, 2019:

â??3. The counsel for the plaintiffs, during the course of his contentions has clarified that though the relief of permanent injunction

restraining the passing off is claimed, but not on the basis of similarity/deceptive similarity of trade mark but on the plea of unjust

enrichment. It has further been clarified that the suit is not asserting any right under a contract which was entered into between the

plaintiffs and the defendants in the year 2010 i.e. prior to the expiry of US patent in February, 2015 but till 31st January, 2016 i.e. which

was in operation till after about one year of the expiry of the US patent.

4. The counsel for the plaintiffs has contended, (i) that if the know-how in which a trade secret is claimed is not disclosed in the patent, as in

this case and the subject matter of patent and subject matter of know-how are distinct, then notwithstanding the lapse of the patent, the

rights in the know-how to prevent others from making the patented product can be asserted; (ii) though such others may not include those

who have learnt the know-how by reverse engineering, but would certainly include to the persons to whom the plaintiffs had disclosed the

know-how under a contract inasmuch as such persons cannot take an undue advantage of such disclosure and confidentiality and the

liabilities thereunder have to continue notwithstanding the expiry of patent and expiry of the agreement; (iii) that there can be an

intellectual property in a trade secret; though such intellectual property is not recognized by any statute relating to intellectual property in

India but is recognized under Section 6 of the Income Tax Act, 1961; and, (iv) that Section 27 of the Contract Act, 1872 is generally used

qua employment contracts and would have no application to a confidentiality obligation under a know-how contract.

5. The counsel for the plaintiffs to, in a tabular form, set out the differences between the patent and the know-how and to, on the next date

of hearing, with the assistance of a note running into not more than 15 pages,

address on the following aspects:

(I) that there can be a patent without disclosing of know-how for making the patented product;

(II) that after the expiry of the patent, the patentee can restrain others from relying upon tests, researches, studies conducted on the

patented product or treatment guidelines published for the patented product;

(III) the effect of the patent being confined to US and the plaintiffs not having any patent even in India;

(IV) the enforcement of rights in intellectual property other than that statutorily recognized in the Trade Marks Act, 1999, Copyright Act,

1957, Designs Act, 2000, Patents Act, 1970 and Protection of Plant Variety and Farmers Rights Act, 2001;

(V) whether there can be a patent in law, without disclosure of the know-how, for others to make the patented product after the expiry of the

term of the patent;

(VI) whether not enforcement of such rights as claimed would be in violation of Section 27 of the Contract Act; and,

(VII) can there be any tort in India contrary to the statutory law of India viz. Section 27 of the Contract Act.

6. Attention of the counsel for the plaintiffs is also drawn to Modicare Ltd. Vs. Gautam Bali & Ors 2019 SCC OnLine Del 10511.

7. List on 16th January, 2020.

8. On the said date, list CS(COMM) 912/2018 and disposed of CS(OS) 552/2016 also.â??

7. The counsel for the plaintiffs was heard on 16th January, 2020 and was permitted to handover written submissions and has handed over written

submissions dated 18th February, 2020.

8. It is the contention of the counsel for the plaintiffs, that (i) the suit is primarily for passing off and unjust enrichment by seeking to sell the new

VSL#3 by relying on studies and reputation of De Simone Formulation; attention in this regard is drawn to averments in paragraphs 25,35,40,41,42,49

and 55 of the plaint; (ii) though the plaintiffs do not claim any ownership rights over the mark VSL#3 under which the defendantsâ? product is being

sold, the primary grievance of the plaintiffs is that the mark VSL#3 has come to be associated with the plaintiffs De Simone Formulation owing to use

thereof for sale of De Simone Formulation for over a decade; (iii) the mark has thus acquired secondary significance in relation to the said formulation

and any attempt on the part of the defendants to sell their new product under the same mark coupled with their act of placing reliance on studies

relating to De Simone Formulation, constitutes an act of passing off and unjust enrichment which fall under the broad genus of unfair competition; (iv)

an action for passing off is essentially a tortious action which is not limited to unregistered trade marks and applies to any act which free rides on the

work or goodwill or reputation of a third party; reliance is placed on Ellora Industries, Delhi Vs. Banarsi Dass Goela AIR 1980 Delhi 254; (v) business

goodwill is an asset and species of property; the tort of passing off is based on economic policy, the need to encourage enterprise and to ensure

commercial stability; reliance is placed on Prina Chemical Works Vs. Sukhdayal ILR 1974 Delhi 545; (vi) Section 4 of the Specific Relief Act extends

to enforcing a right of a party to goodwill and reputation enjoyed by its product; (vii) the mala fide of the defendants is also evident from the

defendants using the mark, earlier used with respect to a drug, now with respect to a food supplement; (viii) such action of the defendants is harmful

for the public and is in violation of the notification issued by the DCGI and filed at page 695 of Part-IIIA file; (ix) even otherwise the new product is

being sold under the mark VSL#3 in USA as a medical food whereas the same is being sold as a food supplement in India under the same mark; (x)

the plaintiffs, in US Courts had not made grievance with respect to use of the mark VSL#3 by the defendants but only with respect to reliance by the

defendants on the studies relating to De Simone Formulation and which grievance has been sustained and the defendants restrained from relying on

such studies or from trying to draw a nexus of their new product with De Simone Formulation; (xi) the defendants, in India also are relying on the

studies relating to De Simone Formulation and which is harmful to consumers interest; and, (xii) the plaintiffs here not only have a prima facie case but

a strong prima facie case, justifying not only admission of the suit but also grant of ex parte ad-interim injunction; reliance is placed on Mohan Rawale

Vs. Damodar Tatyaba Alias Dadasaheb (1994) 2 SCC 392 to contend that the mere fact that the case is weak, is no ground for striking it out so long

as some cause of action is disclosed.

9. I have considered the contentions of the counsel for the plaintiffs.

10. The plaint, in my view, does not disclose any cause of action against any of the defendants on the ground of passing off their goods as that of the plaintiffs. My reasons therefor are as follows:

A. The plaintiffs' claim De Simone Formulation, passing off whereof by the defendants is alleged, to be a patented product. However, the patent pleaded with respect to De Simone Formulation is under the laws of USA and it is not the case of the plaintiffs that De Simone Formulation had any patent in India.

B. Unlike the intellectual property in trade marks, where the common law tort of passing off is statutorily recognized vide Section 27(2) of the Trade Marks Act, there is no common law right in an invention, as the plaintiffs claim De Simone Formulation to be. It is only by statute i.e. the Patents Act, 1970, that to give impetus to research and innovation, rights in an invention are conferred but again unlike trade marks, for a limited period of time. It is only when a patent has been obtained with respect to an invention in accordance with the Patents Act that the inventor or the patentee entitled to prevent others, who do not have his consent, from the act of making, using, offering for sale, selling or importing the patented product or from using the patented process. Save as conferred by Section 48 of the Patents Act, there is no right in common law in any inventor to restrain others from commercially exploiting the invention.

C. Reference in this regard may be made, to Entertainment Network Vs. Super Cassette Industries (2008) 13 SCC 30, Times Warner Entertainment

Company Vs. RPG Netcomm 140 (2007) DLT 758 (DB), The Gramophone Company of India Vs. Super Cassette Industries ILR (2010) Supp. (5)

Delhi 656, Super Cassettes Industries Ltd. Vs. Chintaman Rao MANU/DE/4400/2011, Akutate Internet Services Vs. Star India 2013 SCC OnLine

Del 3344 (DB), Navigators Logistics Vs. Kashif Qureshi 254 (2018) DLT 307, Satish Kumar Vs. Khushboo Singh MANU/DE/3411/2019 holding that

there is no right under the common law or otherwise of copyright save as provided within the four corners of Copyright Act, 1957; to Carlsberg

Breweries A/S Vs. Som Distilleries and Breweries Ltd. AIR 2019 Del 23 (FB) and Crocs Inc. USA Vs. Aqualite India Limited 2019 SCC OnLine

Del 7409 (appeal whereagainst is pending) holding that a registered design

confers on the registrant, only the right to restrain another from infringing the design and not to, also claiming the registered design as its trade mark/trade dress, restrain another from passing off its goods as that of registrant, by copying the registered design; and to Bristol-Myers Squibb Holdings Ireland Unlimited Company Vs. Natco Pharma 2020 SCC OnLine Del 200 holding that there is no right in any invention save in accordance with the Patents Act. Justice Ayyangar Committee Report on the Revision of Patent Laws notes that the rules and regulations of patent systems are not governed by common law, which has been taken note of subsequently in Novartis AG Vs. Union of India (2013) 6 SCC 1 by the Supreme Court. The intellectual property of copyright, designs and patents, unlike of trade marks, is purely and simply a statutory right and there are no rights including claims in tort of unfair competition or unjust enrichment, in intellectual properties of literary and art work or design or invention save as provided under the respective statutory regimes of Copyright Act, Designs Act and the Patents Act.

D. In Akutate Internet Services supra, in the context of a claim for injunction restraining the defendants from disseminating contemporaneous match information in the form of ball by ball account or minute to minute score updates/ match alerts, for a premium and without obtaining licence from plaintiff, the argument of defendants unfairly competing with the plaintiffs was rejected holding (i) that in doing so, the Courts would be granting protection to certain intangibles not covered by the specific statutory regimes; (ii) the basic economic rule is that competition is not only lawful but a mainspring of the economy; (iii) the legislature has recognized that there should be exceptions-it has laid down the rules for these; the laws of patents, trademarks, copyrights and designs have all been fashioned for the purpose; each of them have rules for their existence... each has their own justification; (iv) it is not for the judges to step in and legislate into existence new categories of intellectual property; (v) it is not open for the Courts to create such judicial remedies to remedy what the Courts consider unfair; it is not open to the Court to legislate in this way; (vi) recognition of a general action for "unfair competition" involves not more than recognition of the fact that the existence of such an action is inconsistent with the established limits of the traditional and statutory causes of action which are available to a

trader in respect of damage caused or threatened by a competitor; those limits, which define the boundary between the area of legal or equitable restraint and protection and the area of untrammelled competition, increasingly reflect what the Parliament has determined to be the appropriate balance between competing claims and policies; (vii) neither legal principle nor social utility requires or warrants the obliteration of that boundary by the importation of cause of action whose main characteristic is the scope it allows, under high-sounding generalizations for judicial indulgence of idiosyncratic notions of what is fair in the market place; (viii) the recent trend internationally to accord protection to rights in information in varying degrees or to accept the doctrine of unfair competition, especially in the European Union, is pursuant to legislative action by the European Council, and not as a judicial extension; (ix) once we recognize that mere information cannot be the subject matter of protection under common law, it becomes apparent that other means continue to remain available to protect such information: by way of an action for breach of the common law duty of confidence, which is a right in personam against an individual who has come across such information under confidence, and crucially, is distinct from a propriety right in such information itself, opposable in rem; (x) there exists another cogent reason for denying the existence of any general misappropriation or unfair competition theory - i.e. that it would create a non-existent distinction between copying which is actionable under the Copyright Act and appropriation or misappropriation which is actionable under the doctrine of unfair competition; (xi) under the Copyright Act, the copying or reproduction of match information is permitted; to say that the doctrine of unfair competition prohibits the misappropriation of match information would either mean that misappropriation under common law can supplant the Copyright Act or that copying and misappropriation refer to two distinct acts, which would be a distinction without a difference; (xii) claims based on alternate common law remedies in respect of what is in the domain of a statute cannot be permitted; (xiii) claim on the basis of unjust enrichment is the same as a claim on basis of the doctrine of unfair competition; and, (xiv) the claim for unjust enrichment involves the same conduct that would fall under the Copyright Act.

E. I have in *Modicare Limited* supra held that (i) Section 27 of the Contract Act

makes void i.e. unenforceable, every agreement by which anyone is restrained from exercising a lawful profession, trade or business of any kind; (ii) it is incongruous that the law, on the one hand would disable a plaintiff from enforcing a contract where the defendant had voluntarily agreed not to do something, by going to the extent of declaring such contract void, but on the other hand, enable the same plaintiff to the same relief under the law of tort; to hold so, would make the law look like an ass; (iii) Section 27 has been held to have been enacted as a matter of public policy of India, and does not create any personal right, which can be waived; if it is the public policy of India that there can be no restraint on any one exercising a lawful profession, trade or business, not even when such person has voluntarily agreed not to, it belies logic that such public policy would not apply when the mischief sought to be prevented is sought to be practiced invoking law of torts; (iv) what is not contractually enforceable is also not enforceable invoking law of torts; (v) while under the common law in England, restraints of trade, whether general or partial, may be good if they are reasonable or reasonably necessary with reference to public policy or for protection of interest of covenantee, in India, agreements in restraint of trade are governed by Section 27 and the question of reasonableness of restraint is outside the purview of Section 27â?"this explains, the law of tort of unlawful interference in business, in UK; (vi) however the same has no place in India; (vii) principles of English Law cannot be imported once the Parliament has codified the said principles in the Contract Act; it is the language of the statute which alone has to be considered to ascertain its true meaning and scope; (viii) Section 27, on promulgation of the Constitution of India, conferring the right to practice any profession or to carry on any occupation, trade or business, the status of a Fundamental Right, under Article 19(1) (g) thereof, today has a different connotation; (ix) Article 19(6) only clarifies that nothing contained in Clause (g) shall affect the operation of any existing law or prevent the State from making any law, imposing in the interest of general public, reasonable restrictions on the exercise of right conferred by the said clause; (x) thus, restrictions, in the interest of general public and if reasonable, to the Fundamental Right to practice any profession or to carry on any occupation, trade or business, can be imposed only by law; (xi) the law of tort of unreasonable interference in carrying

on business, in view of Section 27 of the Contract Act, was not the existing law within the meaning of Article 19 (6) of the Constitution; (xii) the right

saved by Section 27 is a facet of Article 21 of the Constitution of India.

F. As is evident from the plaint, and the written submission presented on behalf of the plaintiffs, patent has not been sought in regard to De Simone

Formulation in India and the US based patent has expired, in which context a passing off claim sans patent protection, in any case, cannot be

entertained by the Court. Reference in this regard can be made to The Canadian Shreddeo Wheat Company Vs. The Kellogg Company of Canada

Limited AIR 1938 PC 143.

G. The question thus, of the plaintiffs having any rights with respect to De Simone Formulation or right of preventing the defendants from claiming

their product to be the same as De Simone Formulation in which the plaintiffs have no right, does not arise.

H. The counsel for the plaintiffs, being well conscious of the aforesaid legal position has cleverly contended that though the defendants, if had

discovered invention in De Simone Formulation on their own or by way of reverse engineering, could not have been restrained by the plaintiffs from

marketing and selling De Simone Formulation, but because entered into an agreement with the plaintiffs for the plaintiffs to provide Know-How of De

Simone Formulation, after knowing the Know-How from the plaintiffs cannot indulge in making and marketing the product as De Simone Formulation.

I. The aforesaid argument overlooks that the De Simone Formulation has no patent in India and the plaintiff no.1, even as inventor thereof under the

Patents Act, has no right to restrain the defendants from making or selling De Simone Formulation. The question which thus emerges is, whether an

invention which does not qualify as patented product and has no property right therein, can acquire property rights by the third person entering into an

agreement of exchange of Know-How and thus claiming confidentiality. In my opinion, no. Reference in this regard may be made to Navigators

Logistics supra wherein I have held that confidential information and trade secrets are not equated to property in India.

J. The said Know-How, without patent being applied for with respect thereto, was in public domain and by conduct of the defendants the status

thereof cannot be changed and the same cannot be conferred rights as are

permitted to be conferred under the statute i.e. Patents Act, only in accordance with the provisions thereof. The plaintiffs' case is not of enforcement of contractual rights.

K. The counsel for the plaintiffs, as recorded in the order dated 2nd December, 2019, has also sought to contend that a patent is different from Know-

How. However, Section 7 of the Patents Act titled 'Form of Application' requires every patent application to be accompanied with a provisional

or complete specification and Section 10 of the Act titled 'Contents of Specifications' requires the specification to describe the invention

sufficiently indicate in the title the subject matter to which the invention relates and to fully and particularly describe the invention and its operation or

use and the method by which it is to be performed, the best method of performing the invention which is known to the applicant and for which he is

entitled to claim protection, to define the scope of the invention for which the protection is claimed, and provide technical information on the invention

in the abstract. The position becomes clear from Section 25 of the Patents Act, which permits the grant of patent to be opposed on the ground of the

complete specification furnished not sufficiently and clearly describing the invention or the method by which it is to be performed. Section 84 of the

Act titled 'Compulsory Licences', empowering the Controller of Patents to grant compulsory licence of patent enabling a person other than a

patentee or others whom patentee has permitted to work the patent, is also indicative of patent, particularly the specifications therein, being self-

sufficient to enable such person to work the patent even without the consent of the patentee. If the Know-How for manufacture of a product for

which the patent has been obtained and which patent has lapsed was not proved in the specifications required to be furnished for obtaining a patent, no

compulsory licence with respect to the said patent could have been granted inasmuch as compulsory licence would have been unable to work the

patent without also knowing the other knowhow which the plaintiff no.1 claims to have kept to himself.

L. In any case, information claimed to be confidential can be protected as trade secret only if such information is not available in the public domain and

is hence unknown to others. Reference in this regard may again be made to Navigator Logistics supra, Ambience India Vs. Naveen Jain 122 (2005)

DLT 421, Emergent Genetics Vs. Shailendra Shivam 2011 (125) DRJ 173, Tech Plus Media Pvt. Ltd. Vs. Jyoti Janda 2014 SCC OnLine Del 1819

and Satish Kumar supra. Since the plaintiffs have no subsisting patent protection in India, and since the patent based in US has expired, the innovation,

as noted above, is in public domain. Hence, the claim for trade secret protection falls and the defendants cannot be restrained from manufacturing the

product, in spite of the Know-How Agreement, as otherwise it would amount to judicial creation of an extra-statutory monopoly for perpetuity in the

invention, in contrast to the scheme of Patent Act, 1970 that seeks to bring an invention to public domain after the expiry of the term of the patent, and

which is opposed to public interest as well as to judicial discipline.

M. The plaintiff has also sought to restrain the defendants from selling their product under the brand name VSL#3. In this regard, however, it is

pertinent to note that the averments in the plaint make it clear that the brand name VSL#3 is owned by defendant No.2. The passing off claim with

regard to the brand name by the plaintiff is unfounded as the restraint on use is sought with respect to property that the plaintiffs do not own in the first

instance.

N. No merit is thus found in the contention of the counsel for the plaintiffs, of any separate property right, besides the patent, for working the patent.

O. Once the plaintiff no.1, as far as India is concerned, had no right in De Simone Formulation without obtaining patent with respect thereto, the

question of the plaintiff being entitled to restrain the defendants from working the De Simone Formulation or from claiming their product to be the

same as De Simone Formulation does not arise. The claim of the plaintiffs of the defendants by so misrepresenting causing injury to the public is in

public interest and without any personal right, the plaintiffs have no personal cause of action. If the plaintiffs are desirous of instituting a Public Interest

Litigation (PIL) and are entitled to do so as per the Rules of this Court, the plaintiffs will have to apply in a public interest forum in accordance with

the rules of this Court.

P. The reliefs claimed of permanent injunction are governed by the Specific Relief Act, 1963 and fall in the genre of specific relief. Section 4 of the

said Act provides that specific relief can be granted only for the purpose of enforcing individual civil rights and not for the mere purpose of enforcing a

penal law. Once the plaintiffs have not been able to show any individual civil right in their favour, to be entitled to restrain the defendants from

breaching the same, the question of the plaintiffs being entitled to the relief of injunction, thus does not arise.

11. The counsel for the plaintiffs has thus been unable to clear the doubts entertained as to the very maintainability of the suit, since the day when the suit had come up before this Court first.

12. The suit is thus found to not disclose any cause of action for the reliefs claimed and is dismissed.

13. No order as to costs. Decree sheet be drawn up.