

(2014) 11 CAL CK 0043
In the Calcutta High Court
Case No : W.P. No. 19610 (W) of 2011

Rajesh Kumar Banka

APPELLANT

Vs

The Union of India and Others

RESPONDENT

Date of Decision : 12-11-2014

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 8 Rule 6A, Order 8 Rule 6A(4), Order 8 Rule 6B
Constitution of India, 1950 — Article 226
Evidence Act, 1872 — Section 45, 64
Patents Act, 1970 — Section 104, 105, 106, 107, 117B
Trade Marks Act, 1999 — Section 92

Citation : (2014) 4 CALLT 603

Hon'ble Judges : I.P. Mukerji, J

Bench : Single Bench

Advocate : P. Chatterjee, S. Mitra, D. Ghosh, S. Chatterjee and S. Saha, Advocates for the Appellant; L.K. Chatterjee and Raj Sekhar Basu, Advocates for the Respondent

Judgement

I.P. Mukerji, J.—Facts and Arguments: The writ petitioner invokes the extraordinary jurisdiction of this Court under Article 226 of the Constitution of India by challenging an order dated 19th August, 2011 passed by the Intellectual Property Appellate Board ("the Board"). It was passed on an application under section 64 of the Patents Act, 1970, by Patel Brothers, the sixth respondent. The writ petitioner says he has no other remedy. No such provision is provided in the said Act. This contention is not disputed by learned counsel for the private respondents. The subject matter of this writ application is a "Sealing Device" used amongst other purposes to prevent or detect pilferage of electricity. Both the petitioner and the private respondents manufacture this product. There is evidence to show that this kind of a "Sealing Device" is also known in the United States of America, the date of grant of patent in that country being 21st July, 1998, in respect of US patent 5782153.

2. I will now describe the "Sealing Device" along with some very vital facts.
3. On 07th August, 2001 Tara Chand Banka, the father of the writ petitioner filed an application before the Controller of Patents for obtaining a patent in respect of a security seal allegedly invented by him. He died on 18th April, 2005. On 02nd June, 2006 the patent (patent No. 200041) applied for, was granted. The petitioner is his son and legal representative. The reason why the petitioner and the private respondents are at loggerheads is that, as I have understood from the submissions made by learned counsel, the electricity companies are monopoly buyers of this product. They are very strict. They will not buy a product which is not patented.
4. In the said order of the Board dated 19th August, 2011, it was said that the writ petitioner's product lacked novelty as it was "taught" by the US prior art. Hence, the application for revocation of grant made by Patel Brothers was allowed.
5. Now what is this "Sealing Device"? In the specification filed by the writ petitioner with the patent authorities, this "Sealing Device" was described as a hollow trapezoidal body or capsule open at one and closed at the other. It has two lips or protrusions in the upper inside region at the open end of each of the narrow walls of the capsule. It also contains a varied length of sealing wire hermetically sealed at the end of the base part. The body has two collapsible protruding parts resembling an inverted w. The wire is threaded through the apertures. Pressure is applied to the capsule by the thumb on the anchor at the top to close the capsule.
6. Suppose an electric meter is to be sealed. The open end of the wire is run through the aperture in the meter for inserting a lock and then inserted into the device and the device locked.
7. I was shown the working of the device in Court. It is not possible to remove or open the device without breaking the lock. Hence, if the device is tampered with, the lock will break. By use of this device, it becomes very easy to detect tampering of electrical instruments like meters, letter boxes etc.
8. Learned counsel for the petitioner Mr. Pratap Chatterjee, Senior Advocate argued that the petitioner's device had some novel features. It was of transparent plastic which made it easy to detect transparency. Added to this was the feature of the wire being ribbed.
9. As I have said before, on 7th August, 2001 Tara Chand Banka applied for patent of the said device. On 26th July, 2005 the sixth respondent, M/s. Patel Brothers applied for obtaining a patent in respect of a similar product, that is, tamper proof seal. On 02nd August, 2005 the fourth and fifth respondents registered a design of an identical security seal under registration No. 200628. On the same day Dinesh Patel applied for patent of a similar product, that is, a tamper proof seal. On 02nd June, 2006 patent No. 200041 was granted in favour

of Tara Chand Banka and/or his successors. On 24th October, 2008 patent No. 224937 was granted in favour of Dinesh Patel. On 05th November, 2008 patent No. 224237 was issued to Patel Brothers.

10. Another fact is noteworthy. On 21st July, 1998 a similar "Sealing Device" was patented in the United States of America. The application for grant of such patent was made on 26th July, 1996. The seal is described at page 105 of the petition as:

"A security seal of superior ergonomic design, having a capsule and anchor shaped to conform to the fingers and thumb. The seal also has an integral wire which conform to the anchor to be securely and irreversibly held within the capsule."

11. The drawing of the seal also appears on the page. The petitioner seeks to differentiate his product on the ground that he took an inventive step by introducing a ribbed wire and a transparent body. Mr. Mitra, learned Senior Advocate assisting Mr. Chatterjee brought to my notice a letter dated 05th February, 2008 written to his advocate on record by the Patents office stating that the office was not in possession of the said specification of the said US patent.

12. Suit written statement, counterclaim and section 64-Meanwhile, on 31st May, 2007 the writ petitioner filed a Title Suit (T.S. No. 04 of 2007) in the court of the learned Additional District Judge, at Barasat against the private respondents alleging infringement of their said patent. The learned District Judge granted an ex parte order of injunction restraining the private respondents from infringing the petitioner's patent. On 27th August 2007 this order was however vacated. On 15th September, 2007 the fourth to sixth respondents filed their written statement in the suit where they took the grounds for revocation of the petitioner's patent, as their defence.

13. At this point of time certain provisions of the Patent Act, 1970 have to be noticed.

14. Section 104 of the Patents Act, 1970 provides that no suit for declaration under section 105 or under section 106 shall be instituted in any Court inferior to a District Court having jurisdiction to try the suit. Section 105 deals with a suit for a declaration by a person to the effect that his manufacture or use of a product does not infringe the patent of another. Section 106 deals with the power of the court to grant relief in case of groundless threats of infringement proceedings. The proviso to section 104 stipulates that where a counterclaim is made for revocation of patent by the defendant, the suit, along with the counterclaim shall be transferred to the High Court for decision. Furthermore, section 107 provides that in any suit for infringement of a patent, any ground for revocation of a patent under section 64 shall be available as a ground of defence. Section 117G provides that when such a suit with a counterclaim is pending before any High Court it shall not be transferred to the Board.

15. On 30th October, 2009, on an appeal filed by the petitioner from the order dated 29th August, 2007 of the learned District Judge at Barasat, a Division Bench of this Court passed an order in the appeal (FMA No. 895 of 2008) restraining the private respondents from infringing the petitioner's patent No. 200041. In January, 2010 the sixth respondent Patel Brothers filed an application before the Board, for revocation of the petitioner's patent under section 64 of the Patent Act, 1970. The major ground of maintaining the application was that the petitioner's patent, had no novelty in view of the prior published US patent No. 5782513 dated 27th July, 1998.

16. At this point of time I would like to dispose of a point raised by the petitioner. The point is that the defence of the private respondents in the Court of the learned District Judge at Barasat was in the nature of a counterclaim, urging revocation of the petitioner's patent on the grounds mentioned in section 64 of the Act. Therefore, the suit had to be transferred to the High Court and the issue of revocation ought not to have been heard by the Board.

17. In considering this issue section 107 is very important. It says that in any suit for infringement every ground on which the patent can be revoked under section 64 shall be available as a ground of defence. However, section 104 talks about a counter claim for revocation of the patent. If that is raised then the suit is to be tried by the High Court. It is plain on a reading of these two sections that a counterclaim in a suit of this nature is taken in its most formal sense [See Fabcon, Corporation incorporated, in U.S.A. Vs. Industrial Engineering Corporation, Ghaziabad, . It has to be claimed as provided in Order VIII Rule 6A and 6B of the Code of Civil Procedure. In Order VIII Rule 6A(4) a counterclaim is to be regarded as a plaint. Therefore, the counter claims have to be formally sought from the court by way of reliefs in the same way reliefs are claimed in the plaint. The cause of action constituting the counterclaim may be set out in the written statement but that does not make the written statement a counterclaim, in the absence of a specific claim for revocation.

18. In the suit before the learned District Judge at Barasat the petitioner has raised its defence on the cause of action which constitutes a counterclaim for revocation of a patent under section 64 of the Patent Act. 1970. But the petitioner has not made any claim for revocation of the grant formally. Therefore there is no question of the suit being transferred to the High Court or the Board being precluded from trying the subsequent application of the private respondents for revocation, under section 64 of the said Act. Ajay Industrial Corporation Vs. Shiro Kanao of Ibaraki City, says that section 64 of the said Act provides an independent right to seek revocation of a patent.

19. Further Arguments- According to Mr. Chatterjee, supplemented by Mr. Siddhartha Mitra learned Senior Advocates for the petitioner, the private respondents had completely suppressed before the Board that they had obtained a patent for the product at the end of 2008. There is no question that the product of the private respondents is similar to that manufactured by the

petitioner, in each and every respect. The petitioner was completely in the dark with regard to the manner in which the private respondents had prosecuted their applications for grant of probate. Hence, they could not oppose the grant. The effect of the grant is that the private respondents have an identical patent as that of the writ petitioner. It was quite unconscionable on the part of the private respondents to have obtained a patent of a product which they now allege to be non-patentable for lack of novelty, it was submitted.

20. On the other hand, the product of the petitioner was transparent and had a ribbed wire. This invention was made by the petitioner's father in 2001 which could be termed to be an "inventive step" within the meaning of section 2(j) of the Patent Act. The US Patent, according to the petitioner could not be termed as a prior art. The alleged invention is quite unknown in the US and in other parts of the world. On the other hand, the petitioner had the stamp of novelty of its product by making it of ribbed wire and transparent. The main ground on which the Board rested its judgment was that the US prior art completely anticipated and taught the invention. The Board was of the opinion that according to the assertion made by the petitioner the device was made of high strength plastic whereas according to the US Patent specification the US product was manufactured with "injection moulded plastic". Addition of the adjective "transparent" could not make the invention novel or be considered to be an inventive step, according to the Board.

21. The Board has also relied upon the evidence of an expert Mr. Ankit P. Bhimani a B. Tech in Polymer Technology. He was of the opinion that the product of the petitioner did not disclose any novelty and was anticipated by the US prior art. According to the petitioner no opportunity was given to him to cross examine the expert.

22. The opinion of the Board is that the product of the petitioner was not novel and the claim to novelty is not based on any reasonable and credible evidence it was submitted.

23. The Board did not conduct itself properly by relying on the so called opinion of an expert. How Mr. Bhimani is treated as an expert is not disclosed although his qualification is disclosed. What are the reasons why he believed that the petitioner's product was not novel and anticipated by the US prior art are also not forthcoming. It was erroneous on the part of the Board to have asked for Mr. Bhimani's opinion or to have acted on it, it was submitted. Furthermore, it was said that the opinion formed by the Board that the petitioner's product was also not based on proper material. There were insufficient reasons to support the findings of the Board.

24. Mr. Kar, learned Advocate showed me some rules for conduct of proceedings before the Board.

25. He showed me various provisions of the Patent Act, 1970 and the Intellectual Property Appellate Board (Patents Procedure) Rules, 2010. He pointed out

section 117B of the Patent Act, 1970 relating to the procedure and powers of the Appellate Board. It inter alia says that section 92 of the Trade Marks Act, 1999 would apply. Now, section 92 of the Trade Marks Act, 1999 states that the adjudicator would not be required to follow the rules laid down in the Code of Civil Procedure.

26. With regard to the introduction of expert evidence and denial of the right to cross-examine the expert by the petitioner, Mr. Kar cited rule 5 of the said rules which inter alia states that evidence shall be in affidavit form. The affidavit can be accompanied by exhibits. Each document attached to the affidavit shall be marked as an exhibit. The petitioner had no right to cross-examine the expert witness, without applying for the same before the Board and obtaining it. Reliance was made on a Single Judge Bench of this High Court in *Oriental Fire and General Insurance Co. Ltd. Vs. Murlidhar Gopikissen Pvt. Ltd.*, .

27. Mr. Kar also argued that the petitioner was trying to run a case which was contrary to the points taken by him before the Board. For example, the petitioner did not argue that the manufacture of a transparent device with a ribbed wire was novel, constituted an inventive step and enhanced the demand of the petitioner's product in the market. Thus, the point that this new invention by the petitioner, also described as an inventive step, enhanced the economic significance of the invention was not taken before the Board. To take another example, there was no averment in the petition that the right to cross examine the expert witness produced by the private respondents before the Board was denied to the petitioner.

28. Powers of Writ Court- At this point of time, it is most important to set the limits of what this Court can determine, in this writ application. The statute does not provide any right of appeal against the impugned order. Hence, according to the statute the impugned order would be final in law and facts, subject to the intervention of the High Court in exercise of its extraordinary powers under Article 226 of the Constitution of India or by the Supreme Court.

29. First of all, the adjudicator is required to stay within the bounds of his jurisdiction, that is to say, to decide what he is asked to decide and not to decide something else.

30. If the Board was asked to decide issues of facts only and it decided them, taking a plausible view, a court exercising powers under Article 226 of the Constitution of India, normally, would have no power to interfere with that order. However, even in a purely factual matter, irrespective of whether the order appears to be a plausible view or not, the Court exercising its power under Article 226 of the Constitution of India can interfere, if it is shown that the judicial authority acted on no evidence or did not give an opportunity to a party to present his case or took into account matters which it ought not to have taken into account or ignored matters which it ought to have considered. This is in my opinion procedural irregularity which is challenged before the court because we

are proceeding on the assumption that the order itself appears to be a plausible view taken of the matter.

31. There are other categories of matters where the decision of the tribunal is so patently bad on a reading of it or appears to be so unreasonable that no reasonable man is expected to take such a decision, it is set aside by the court despite the fact that the procedure may have been meticulously followed by the adjudicator. This kind of bad orders is the product of what is described as Wednesbury unreasonableness.

32. Then there are orders which appear to be otherwise sound but are tainted with dishonesty. Dishonesty in the sense that a personal grudge or vendetta of the adjudicator against the petitioner is found to have influenced his decision. It may be malice. It may be bias. Orders become bad when the adjudicator thinks that what he thinks about the matter is supreme. He considers no materials and merely puts a rubber stamp on a pre conceived notion. The order becomes highly arbitrary and unjust.

33. Then I come to the last category of cases which involves adjudication of facts and legal issues. A full-fledged adjudication is contemplated by the statute. There are rules governing the adjudication. Substantive rules as well as procedural rules. The impugned order has been passed in a case of this kind.

34. It is now settled law that when issues of law are involved they have to be decided correctly by the tribunal. If the tribunal does not decide the issues of law correctly, it travels outside its jurisdiction.

35. Discussion and Conclusions- In this case the Board had a very serious task. It was enjoined with a duty to decide whether the petitioner's registered patent was novel or not. If it was found that the petitioner's product did not disclose an invention or an inventive step it had the power to revoke the patent. Registering a patent is one thing. Considering an application for revocation is even harder. You are, deciding the right of an applicant to continue to carry on business in a particular product.

36. I have gone in detail through the order of the Board. I find that it has made errors of law and failed to decide reasonably on the materials disclosed before it. It has passed its final order of revocation of the patent of the petitioner subsisting from 2001. I will now narrate the reasons to support my opinion.

37. The Board has come to the conclusion that the said product of the petitioner lacks novelty and does not disclose any inventive step on basically two grounds. The first is that there is a prior US invention with regard to the selfsame device. The patent of the petitioner is fully taught by the prior US patents 5782513. The application for the US patent was filed on 26th July, 1996 and granted on 21st July, 1998.

38. In the order of the Board the features of the US invention have been sought to be compared with the Indian invention, particularly in paragraphs 10,11,12

and 13 of the judgment. On this basis it came to the conclusion that there was no novelty or inventive step in the petitioner's product.

39. It failed to consider whether at any material point of time the US patent was known. So much so, that the letter dated 05th February, 2008 of the Assistant Controller of Patents and Designs to the Advocate on record for the petitioner categorically stated that the Patent office was not in possession of any specification of the said US patent.

40. There is no finding by the Board that a proper search for world wide patents with regard to a similar invention was not made by the Indian Patent Office. In fact paragraph-10 of the judgment sets out in detail the large data base of information and material available in the Patent office with regard to prior arts and the search which is usually conducted before a patent is granted. Neither is there any discussion of any opposition proceedings before the grant of the petitioner's product.

41. Mr. Kar's argument was that the question of novelty, inventive step etc. were pure questions of law and facts. Since the petitioner did not raise the issue of transparency of its product or the efficacy of the ribbed wire in the body of the petition, the Board had no obligation to deal with them. The judgments cited by him namely Bharat Singh and Others Vs. State of Haryana and Others, and 13), Ritesh Tewari and Another Vs. State of U.P. and Others, , Narmada Bachao Andolan Vs. State of Madhya Pradesh and Another, , National Buildings Construction Corporation Vs. S. Raghunathan and Others, , Rajasthan State TPT Corpn. and Another Vs. Bajrang Lal, , M/s. Larsen and Toubro Ltd. Vs. State of Gujarat and Others, , embodying the above principle are authorities of great value.

42. What I find is that the issue has been raised in the body of the order itself. It is specifically stated at page-9 of the order discussing the claim of the petitioner that according to the specification, it is made from transparent high strength plastic and that the US device is made of injection moulded plastic. Whether this plastic of the US device can also be transparent is not reflected in the records placed before me.

43. In paragraph-vii at page 7 of the order there is a reference to a groove "which holds" the threaded wire in place.

44. Yet, the following conclusion is drawn in paragraph 11 of the order:

"We do not think that the addition of the adjective transparent would make the invention either novel or containing inventive step. It is clear, therefore, that invention is wholly taught by the US prior art and is fully anticipated."

45. Mr. Chatterjee cited I.T.S. Rubber Ltd.'s Application reported in 1979 RPC 318 where according to Whitford, J. colouring of a squash ball added a desirable characteristic to the article. When squash is played in artificial light the ball is usually white. An application for grant of patent of a blue ball described as

suitable in artificial light conditions was granted and upheld by the English Court. Bishwanath Prasad Radhey Shyam Vs. Hindustan Metal Industries, , Mr. Justice Sarkaria opined that a mere collection of "old, known integers" did not evidence the exercise of any inventive faculty and hence did not qualify for the grant of a patent. There must be novelty or ingenuity" involved, so as to amount to invention.

46. Therefore, the claim of the petitioner that whenever the wire was pulled out, the seal was broken and that transparency of the body made tampering easily detectable without having the necessity of breaking the device every time had merit and needed a closer scrutiny by the Board. I am afraid that there is no discussion on this aspect of the matter in the impugned order of the Board. More evidence ought to have been considered by the Board regarding the nature and extent of the US invention and the Indian claims. More material should have been considered by the Board with regard to the search for prior art conducted by the patent office in India before granting the patent to the petitioner. How far transparency of the product amounted to an inventive step within the meaning of section 2(Ja) of the Patents Act, 1970 ought to have been gone into.

47. The next important feature of the petitioner's product is a ribbed wire. A lot of emphasis was placed on this feature. It was stated by learned counsel for the petitioner that the ribbed nature of the wire prevented the wire from being taken out and the seal tampered with. How this feature was part of an inventive step was not even considered by the Board.

48. It is true that it is none of the business of the Board to ask a party to adduce evidence. But it was Patel Brother's application for revocation of the grant. In the absence of this evidence it was this respondent's application for revocation which ought to have failed and ought to have been dismissed by the Board.

49. The next question is with regard to the reliance on the so called expert opinion. The Board refers to "the evidence of an expert Mr. Ankit Bhimani". The evidence is exhibit-L. Mr. Bhimani is a B. Tech in Polymer Technology as stated in the order of the Board.

50. His opinion is narrated in two paragraphs.

51. The first paragraph states that the principal components of the Indian Device are identical in construction and functioning" to the prior US patent. These components and functions consist of an anchor and capsule, a link between the anchor and capsule, a locking device in between the anchor and the capsule which becomes effective on inserting the anchor inside the capsule with the wire therein. Mr. Bhimani doubts how the wire sealing works while engaging the anchor with the capsule. Neither is it indicated according to him, how the ribbed wire operates. He comes to the conclusion in the second paragraph that the Indian Patent is a "replication" of the "components" and "functions" of the prior US patent. The Indian Patent discloses no technical advancement.

52. Section 45 of the Indian Evidence Act, 1872 deals with the opinion of experts. It inter alia, says that when the court is to form an opinion on a point of science or arts, the opinion on that point of a person "specially skilled" in that area is a relevant fact.

53. In the body of the order of the Board we have a reference to Mr. Bhimani's qualifications. As Section 45 plainly suggests mere possession of a qualification does not make a person an expert. The opinion must be of a person "specially skilled". I do not find in the order how the Board considered Mr. Bhimani as specially skilled. What is more fundamental is that he has missed the two most important aspects of the matter. First he has not dealt with the effect of transparency of the capsule. Whether a transparent body enhanced the functions of the lock by enabling its users to check whether there has been tampering, more easily and whether this aspect can be called an invention or an inventive step. At least in the part of the opinion of the expert which the Board has relied upon it is missing. Secondly, the effect of the ribbed wire has not been discussed.

54. It appears from the tenor of the order of the Board that it has relied heavily on the opinion of Mr. Bhimani.

55. Section 45 of the Evidence Act states that the opinion of an expert is to be treated as a relevant fact only. Therefore, the opinion of Mr. Bhimani, had to be treated as a relevant fact only, if at all. The patentability of the petitioner's product ought to have been assessed after taking into account all other materials. I think that here the Board has gone wrong in placing so much reliance on this expert's opinion.

56. Even if the petitioner had not asked for cross-examination of the witness the Board comprising of experienced adjudicators ought to have extended the liberty of cross-examination to the petitioner to evince the truth. In my opinion, it was not proper for the Board to have acted on two paragraphs of an opinion of Mr. Bhimani to dislodge the patent of the petitioner.

57. Moreover, I find in the body of the impugned order that the Board has tried to make a comparison of the components, properties and functions of the devices of the petitioner and the American Patent. On that basis it has come to its conclusion. In my opinion that was not the proper course to be followed by the Board. This kind of comparison ought to have been made upon analysing the evidence, including the experts' evidence on the issue. The Court should not turn into an expert in areas in which it has no competence.

58. In my opinion, for another reason, the private respondents could not have maintained the section 64 application. They had suppressed from the Board that they had in 2008 obtained the Patent of a sealing device which was identical to that of the petitioner. A party who alleges that the patent of another should be revoked on the ground of lack of novelty, inventive step etc. could not have asked the same authorities to grant a patent to them of the same product. Rules of equity, fair play including estoppel would have prevented the private

respondents from taking the step under section 64. For all the above reasons the order of the Intellectual Property Board dated 19th August, 2011 cannot be sustained and is hereby set aside and quashed. The Board it is requested will hear out the application afresh, on the basis of the observations made in this judgement and order and pass a judgement and order within six months of communication of this order.

Certified photocopy of this Judgment and order, if applied for, be supplied to the parties upon compliance with all requisite formalities.