

IN THE HIGH COURT OF DELHI AT NEW DELHI

SUBJECT : CODE OF CIVIL PROCEDURE

FAO (OS) No.280/2008

Judgment Reserved on : 7th November, 2008

Judgment pronounced on : 14th November, 2008

Magotteaux Industries Pvt. Ltd. and Ors. ...	Appellants
Through :	Dr. Abhishek Manu Singhvi, Sr. Adv. With Mr. Prem Sewak and Ms. Shefali Sewak, Advocates

Versus

AIA Engineering Ltd.	Respondent
Through :	Mr. C.A. Sundaram, Sr. Adv. with Ms. Roshini Musa, Mr. Abhishek K. Gupta and Mr. Sanjeev Tiwari, Advocates

Coram:

HON'BLE MR. JUSTICE A.K. SIKRI
HON'BLE MR. JUSTICE MANMOHAN SINGH

MANMOHAN SINGH, J.

1. The respondent/plaintiff has filed a suit for anti suit injunction, A damages and other reliefs. An application under Order 39 Rules 1 and 2 CPC seeking issuance of an ex parte ad interim injunction being I.A. No. 5854/08 has also been filed. An ex-parte ad-interim injunction was issued on 13th May 2008 restraining the Appellants, their agents and representatives from proceeding further with the complaint pending on the file of the United States International Trade Commission, Washington DC, USA (hereinafter referred to as USITC) under Section 337 of the United States Trade Tariff Act.
2. Against the said ex-parte ad-interim order present Appeal under Section 10(1) of Delhi High Court Act, 1966 read with Order 41 Rule 1(r) of CPC has been filed.
3. While granting the ex parte ad interim injunction the learned single Judge in Para 12 of the impugned order has given the following reasons:- In the present case, the plaintiff, in addition to disclosing a prima facie case has been able to satisfy this court

that unless ex parte injunctive relief is granted at this stage it would be put to substantial hardship. Such material in the form of notices furnished to it and the copy of the complaint discloses that the proceedings before the Commission are summary in nature. Besides that obvious inconvenience the plaintiff would be put to in entering upon defence, it is doubtful whether the plaintiff would be given the kind of opportunity that it would require to prove its case concerning its authority as claimed in terms of Indian law, before the Commission having regard to the summary nature of the proceedings and the time schedule within which it has to be completed.

4. Considering the nature of the injunction passed by the learned Single Judge restraining the appellants herein from continuing to proceed with the proceedings pending in the US Tribunal/Court, we have entertained this appeal because of its urgent nature. Such kind of anti-suit injunction and powers vested in the Court are to be used sparingly as directed by the Honble Supreme Court of India and with utmost diligence. The injunction in anti suit is not merely inconvenient to the parties to the proceedings but also amounts to interference with the process of administration of justice of the foreign court.

5. Under these circumstances, there is no option for this court except to dispose of this appeal as otherwise, the same may lead to consequences like lapse of the proceedings in the US Court which otherwise ought not to have happened. It is in the ordinary course and as a matter of practice, we may have insisted the parties to go before the learned single Judge to argue the matter on merits. But, given the extra ordinary circumstances of the present case, since the injunction application has so far not been disposed of and considering the urgency of the matter and nature of injunction which is passed by the learned single judge, we have heard the main appeal itself.

6. Whether merits of this appeal are required to be gone into or not, would depend upon the answer to the preliminary objection raised by the respondent i.e. regarding the maintainability of the Appeal itself against an ex-parte ad-interim order when application is still pending. It was also argued that even if the appeal is maintainable the ex parte ad interim order passed by the learned single judge should not be interfered with at this stage as not only the same is a well reasoned and speaking order but also that the submissions of the appellants can only be considered by the learned single Judge who has passed the impugned order in the pending application. Re. : MAINTAINABILITY

7. In support of his first submission on the maintainability of the appeal the learned senior counsel for the respondent has strongly relied upon the judgments in the case of M/s. Digital Filing System Inc. vs. Akhilesh Agarwal and Another, AIR 2005 Delhi 282; Gautam Adani vs. Container Corporation of India and Ors, 150(2008) DLT 281 (DB) and Shah Babulal Khimji vs. Jayaben, AIR 1981 SC 1786.

8. Mr. Sundaram fairly made the submission that in case this court comes to the conclusion that the impugned order was passed in the application under Order 39 Rules 1 and 2 and the same is appealable, then the reliance on the case of Shah Babulal Khimjis case (supra) would be irrelevant, as when the statutory remedy is available to the

Appellants then this court may not discuss the maintainability of the appeal on the question of Letters Patent. The contention of the learned senior counsel for the respondent is that in fact the impugned order has been passed under Section 151 of Code of Civil Procedure (CPC) by the trial court exercising its inherent power for issuance of anti suit injunction and the impugned order has not been passed under Order 39 Rules 1 and 2 CPC. In support of his submission he has relied upon Paras 7 and 10 of M/s. Digital Filing System Incs case (supra) . The same are reproduced below:- 7. Appellants' plea that the Civil Court had no power to injunct a person from pursuing his legal remedy appears attractive on the face of it because there is no express power provision in the CPC which empowers a Civil Court to injunct a person from pursuing a lawfully instituted remedy. Order 39 CPC also does not authorise issuance of such injunction. But the matter would not rest at that because the Civil Court was competent to grant a temporary injunction in appropriate cases in exercise of its inherent power in cases not covered by Order 39 CPC to promote the interests of justice. 10. The position, therefore, that emerges is that a Court of Record/Civil Court would be competent to injunct a party before it from pursuing the proceedings in a foreign Court in exercise of its inherent power, saved by Section 151 CPC and by doing so it was not staying the proceedings of the foreign Court, which it had no jurisdiction to do but was only injuncting a party before it.

9. The learned senior counsel for the respondent has also relied upon Paras 11, 12 and 13 of the judgment passed in Gautam Adanis case (supra). The same are also reproduced below:- 11. The restricted interpretation placed upon the term 'Judgment' in Hafiz Mohd. case (supra) did not find favor with the Supreme Court in Jugal Kishore Paliwal v. S. Sat Jit Singh MANU/SC/0004/1982. That was a case where an amendment to the written statement was sought and allowed at the time of framing of issues. An appeal preferred against the said order was dismissed by a Division Bench of this Court holding that the same was not maintainable in view of the full bench decision in Hafiz Mohd. Case (supra). In a further appeal before the Supreme Court, their Lordships held that the decision in Hafiz Mohd.'s case was no longer good law in view of the decision of the Supreme Court in Shah Babu Lal Khimji's case..... Counsel for both the parties are present and we have heard them at length. The High Court was clearly wrong in refusing to go into the merits of the case on the ground that appeal was not maintainable in view of the full bench decision in University of Delhi v. Hafiz Mohd. Said. This decision is no longer good law in view of our decision in the case of Shah Babulal Khimji v. Jayaben D. Kania where we have laid down various parameters and conditions under which an appeal can lie from a single Judge to the division bench.

12. In the light of the above pronouncement, it is no longer possible to hold that since the order impugned in the present appeal was passed under the Code of Civil Procedure, the right to appeal against the same must also be available under the Code itself. The argument that in order to maintain an appeal against an interlocutory order, the same must either tantamount to a decree within the meaning of Section 2 of the CPC or be an appealable order under Order 43 Rule 1 read with Section 104 of the CPC must therefore be rejected. It follows that even when an interlocutory order may not tantamount to a decree or be appealable under Order 43 of the CPC, an appeal would be maintainable if

the same tantamount to a judgment within the meaning of Section 10(1) of the Delhi High Court Act and Clause 10 of the Letters Patent as applicable to this High Court. 13. What then is the true test to be applied for determining whether an order is a judgment within the meaning of the Lahore High Court Letters Patent as applicable to the High Court of Delhi and Section 10 of the Delhi High Court Act can be answered authoritatively only by reference to the decision of the apex Court in Shah Babulal Khimji's case (supra) The Court had in that case recognized three distinct kinds of judgments, namely: (i) A final judgment which decides all the questions or issues in controversy so far as the Trial Judge is concerned and leaves nothing else to be decided; (ii) A preliminary judgment where the Trial Court by an order dismisses the suit without going into the merits of the suit but only on a preliminary objection raised by the defendant or where the Trial Judge passes an order after hearing a preliminary objection raised by the defendant relating to the maintainability of the suit such as bar of jurisdiction, res judicata etc.; and (iii) An intermediatory or interlocutory judgment which include orders specified in Order 43 Rule 1 and even those which are not included in the said provision but which possesses the characteristics and trappings of finality in that the orders adversely affect a valuable right of the party or decide an important aspect of the trial in an ancillary proceeding.

10. The learned senior counsel for the respondent also referred to the case of Shah Babulal Khimjis case (supra) extensively.

11. Mr. Sundaram thus argued that as the impugned order has been passed under Section 151 CPC, the appeal filed by the Appellants is not maintainable as under the provisions of Order 43 Rule 1(r) orders passed under Section 151 are not appealable.

12. Mr. Singhvi, appearing for the appellants on the other hand strongly rebutted the argument of the respondent that the impugned order has been passed in the application under Section 151 CPC and contended the same has been granted under the provision of Order 39 Rules 1 and 2. It was argued that none of the judgments cited by the learned senior counsel for the respondent is applicable to the facts and circumstances of the present case for the following reasons:- 1) That the respondent has itself filed the application for anti-suit injunction invoking the provisions of Order 39 Rules 1 and 2 CPC. 2) That the impugned order has been passed by the learned single Judge in the application under Order 39 Rules 1 and 2. In the impugned order the learned single Judge has relied upon the case of Independent News Service Pvt. Ltd vs. India Broadcast Live LLC and Ors reported in 2007 (35) PTC 177. The said order itself was passed under Order 39 Rules 1, 2 and 4. 3) That in the impugned order passed by the learned single Judge, reference has been made to the aspects of prima facie case, balance of convenience, substantial hardship and other ingredients of Order 39 Rules 1 and 2 CPC. 4) That while passing the order the learned trial Court directed that provisions of Order 39 Rule 3 would be complied with. 5) It was also directed while granting the order under Order 39 Rules 1 and 2 that process server would serve the notice of injunction application to the Appellants.

13. To support his contention on the maintainability of the appeal, the learned senior counsel for the appellants has cited decision in *Zila Parishad, Budaun and Ors. vs. Brahma Rishi Sharma*; AIR1970 All 376. The Allahabad High Court in paras 15, 16 and 18 of the abovesaid judgment held as under : 15. An injunction Interferes with substantial and substantive rights of a person. The object of Rule 1(r) of Order 43 is to provide a remedy for improper or invalid interference with his rights. If we restrict this rule to only final orders of injunction, the object of the rule will not be fully achieved. For instance, where a grievance of the party affected by the ex parte interim injunction is that the court granting it has also acted from bias against him it is meaningless to force him to go to that very Court in the first instance. It shall only prolong the suspension of his valuable rights. In many cases he may get no relief in the end. Similarly, where the order of injunction is founded on an Act challenged as unconstitutional, appeal may yield quicker relief. 16. The language and the object of Rule 1(r) of Order 43 and the scheme of Rules 1 to 4 of Order 39 show that an appeal also lies against the ex parte order of injunction. As soon as an interim injunction is issued and the party affected thereby is apprised of it, he has two remedies: (1) he can either get the ex parte injunction order discharged or varied or set aside under Rule 4 of Order 39 and if unsuccessful avail the right of appeal as provided for under Order 43, Rule 1 (r), or (2) straightway file an appeal under Order 43, Rule 1 (r) against the injunction order passed under Rules 1 and 2 of Order 39. C.P.C. It is not unusual to provide for alternative remedies. For instance, when an ex parte decree is passed against a person, he has two remedies: either he may go up in appeal against the ex parte decree or he may seek to get the ex parte decree set aside by the same court. 18. We are unable to accept this submission of the learned senior counsel for the respondents. As already discussed above, once the Court, after perusing the application and affidavit, comes to the conclusion that the case is a fit one in which temporary injunction should be issued ex parte the Court takes a final decision in the matter for the time being and the expression of this decision in our opinion is a final order for the duration it is passed. Such an order is contemplated by Rules 1 and 2 of Order 39, C.P.C. We have looked into the authorities referred to above, but they are not applicable to the facts of this case and they have little bearing on the precise point raised by the learned senior counsel for the respondents.

14. Another case relied upon by the appellants is of *Nisha Raj and Anr. Vs. Pratap K. Kaula and Ors.*; 57(1995) DLT4 90, this Court in paras 3, and 4 observed :- (3) So far as the first aspect of the matter is concerned we find that under Order 43 Rule 1(r) of the Civil Procedure Code an appeal lies only against ``an order`` passed under Order 39 rule I, Rule 2 or Rule 2A, Rule 4 or Rule 10. An 'order' under Order 43 Rule 1(r) could be one either granting the petitioner relief under Rules 1,2,2A, 4 or 10 of Order 39 or refusing the same or granting the order conditionally. The provision in Order 39 Rule I is not attracted to a case of 'notice' in as much as the grant of 'notice' is specifically covered by Order 39 Rule 3. When such a specific sub-rule covers the case of 'notice', it cannot be .contended that an order ordering notice is also 'an order' under Order 39 Rule 1 CPC. thereforee, the order of the learned Judge is clearly one under Order 39 Rule 3 Civil Procedure Code and if that be so, no appeal is provided in Order 43 Rule 1 (r) Civil Procedure Code against an order under Order 39 Rule 3 CPC. Such a view has been taken by the Allahabad, Madhya Pradesh, Mysore, Andhra Pradesh, Punjab High Courts.

(Lakhai vs. Ram Niwas and Ors MANU/UP/0206/1987, H. Bevis Co. vs. Ram Behari MANU/UP/0287/1950, Khushi Lal vs. Gorelal MANU/MP/0014/1986; Hamumaga vs. Anjanappa (1973 (2) Mys. Lj 96; Madhava Rao vs. N. Sankara Reddi (1983 (1) Alt 340) and Iqbal Singh vs. Chanan Singh MANU/PH/0230/1965. We agree with this view. We respectfully dissent from the judgment of the Sikkim High Court in Ashok Trading Lama vs. Tshering Wangdi (AIR 1982 Sikkim 20). If the Patna High Court in Shyam Behari Singh vs. B. Biseswar Dayal Singh (AIR 1924. Pat 712), has said that an appeal lies under Order 43 Rule 1(r) against an order of 'notice', we respectfully dissent from the same also. This is the position under Order 43 Rule 1(r) whether the order ordering 'notice' is passed by a Court subordinate to the High Court or by a learned Single Judge of the High Court. (4) The more important question, however, is whether the order directing 'notice' passed by the learned Single Judge is a 'judgment' within Section 10 of the Delhi High Court Act, 1966. The position in regard to the same is basically governed by what is laid down by the Supreme Court in Shah ' Babulal Khimji vs. Jayaben D. Kama MANU/SC/0036/1981. There the Supreme Court held that an order passed by the trial Judge refusing to appoint a receiver or to grant "interim injunction" is a judgment within Clause 15 of the Letters Patent (Bombay), which is similar to Section 10 of the Delhi High Court Act. It was observed (see para 113) that the word 'judgment' as defined in the Civil Procedure Code in Section 2(2) is narrow and refers to 'adjudication' and that for purposes of Clause 15 of the Letters Patent, a wider and more liberal meaning is to be given to the word 'judgment'. But at the same time every order passed by the Single Judge cannot be said to be appealable. The word 'judgment' has undoubtedly a concept of finality in a broader and not a narrower sense. The Court then considered what is a 'final judgment', a 'preliminary judgment' and an 'intermediary or interlocutory judgment'. Most of the interlocutory orders in Order 43 Rule 1(a) to (w) have the 'quality of finality' and are judgments under Clause 15 of the Letters Patent, their Lordships stated. Then they observed (para 112(3): "There may also be interlocutory orders which are not covered by Order 43 Rule I, but which also possess the characteristics and trappings of finality in that, the orders may adversely affect a valuable right of the party or decide an important aspect of the trial in an ancillary proceeding." Their Lordships explained: "Before such an order can be a judgment, the adverse effect on the party concerned must be direct and immediate rather than indirect and remote." While dealing with orders passed in the course of trial, the Supreme Court pointed out (see para 114) that orders exercising discretion in respect of procedural matters are purely interlocutory and cannot be judgments because it will be open to the aggrieved party to make a grievance in respect of the order when appeal is carried against the final judgment. In para 116, the Supreme Court referred to certain other types of interlocutory orders passed at the discretion of the Judge which might amount to 'judgments' when a vested right is taken away or rendered negatory. The learned senior counsel for the Appellants has also pointed out that though the respondent has filed the reply in the appeal, it was nowhere stated in the reply that the appeal is not maintainable on the ground that the impugned order is passed under Section 151 and not under Order 39 Rules 1 and 2 CPC.

15. The Bombay High Court in Brooke Bond India Ltd. Vs. Dinkar Landge; [1984] 56 Comp Cas 1(Bom) relying upon the judgments of Zila Parishad case (supra) and Sk.

Jusa v. Ganpat Dagdu Gire; AIR 1976 Bom 222 held that an order granting ad interim ex parte injunction is appealable.

16. Also in the case of Rajesh Batra vs. Grandlay Electricals India; 1997 I AD (Del) 377 relied upon by respondent, it was clearly laid down in para 9 by this Court as under :- (9) Looking to the trend of judicial opinion, we are of the opinion that :- (I) An order of injunction whether ex-parte or bye- parte is appealable under Order 39 Rule 1 (r) of the CPC; (II) The scope of hearing in such an appeal is limited. Ordinarily the appellate Court would not take into consideration any new material. The hearing would be confined to finding out whether the original Court was justified or not in granting the ex-parte order of injunction on the material available before it. (III) If the appellate Court may concur with the view taken by the original Court then the appeal would be dismissed leaving it open to the appellant to contest the ex-parte order of injunction before the original Court. If the appellate Court may form an opinion that on the material available before original court, the grant of injunction ex-parte cannot be sustained then the appellate court would set aside the ex-parte order of injunction leaving it open to the parties to appear before original court and have a hearing by parte on the grant or otherwise of the order of injunction. (IV) If the appellate Court forms an opinion that on the material available on record of the suit before the original court an injunction not in the form granted by the original court but in a different form could only have been granted ex parte then it may substitute its own order in place of the original order (under appeal) leaving it open to the opposite party to contest the issue as to grant of injunction by parte before the original Court.

17. Similar observations were made in the case of E. Mangamma v. A. Muniswamy Naidu; AIR 1983 Andhra Pradesh 128, in para 1.

18. In the case of A. Venkatasubbiah Naidu v. S. Challappan and Ors.; AIR 2000 SC 3032 at para 10, the Supreme Court held that :- 10. It cannot be contended that the power to pass interim ex-parte orders of injunction does not emanate from the said Rule. In fact, the said rule is the repository of the power to grant orders of temporary injunction with or without notice, interim or temporary, or till further orders or till the disposal of the suit. Hence, any order passed in exercise of the aforesaid powers in Rule 1 would be applicable as indicated in Order 43 Rule 1 of the Code. The choice is for the party affected by the order either to move the appellate Court or to approach the same Court which passed the ex parte order for any relief.

19. Learned senior counsel for the Appellants has made his submission that as the ex parte ad interim order has been passed under Order 39 Rules 1 and 2 CPC, therefore, the said order would be appealable under Order 43 Rule 1(r) CPC. He has further argued that the judgment passed in the cases of M/s.Digital System Incs case (supra) and Gautam Adanis case (supra) are not applicable to the facts and circumstances of the present case.

20. After hearing the above said submission of the learned senior counsel for the parties, we are of the view that the appeal filed by the appellants against the impugned order is maintainable for the following reasons:- a) It is not in dispute that the impugned

order was passed on the application filed by the respondent under Order 39 Rules 1 and 2 read with Section 151 CPC. It is also not in dispute that the learned single Judge while granting the interim order in the anti- suit injunction has considered the principle of Order 39 Rules 1 and 2 and has also relied upon the judgment in which the interim order was passed itself under Order 39 Rules 1 and 2. Even after passing the order the directions for compliance were also issued under Order 39 Rule 3 and the notice for service of injunction application was also received by the Appellants under Order 39 Rules 1 and 2 only. b) After going through the judgment of M/s. Digital System Incs case (supra), we find that the learned Division Bench did not deal with the question of maintainability of the appeal. It was observed that the civil court was competent to grant temporary injunction in appropriate cases in exercise of its inherent power in cases not covered by Order 39 CPC to promote the interests of justice. c) The case of Gautam Adani (Supra) relied upon by counsel for the respondent is also not applicable, as the impugned order in the said case was passed directing the Appellant to remain present for his examination under Order 10 Rule 2 CPC. The statutory appeal against the said order is not maintainable under the provisions of Order 43 Rule 1. Learned Division Bench by referring to the case of Shah Babulals case (supra) on Clause 10 of Letters Patent Appeals had given its finding that the order impugned in that appeal did not amount to judgment and thus not appealable under Section 10 of the Delhi High Court Act and clause 10 of Letters Patent.

21. Let us now examine the third judgment referred by the learned senior counsel for the respondent in the case of Shah Babulal Khimjis case (supra). Paras 113, 114 and 116 of the abovesaid judgment relied upon by the learned senior counsel for the Appellants, is reproduced hereinbelow:- 113. Thus, under the Code of Civil Procedure, a judgment consists of the reasons and grounds for a decree passed by a court. As a judgment constitutes the reasons for the decree it follows as a matter of course that the judgment must be a formal adjudication which conclusively determines the rights of the parties with regard to all or any of the matters in controversy. The concept of a judgment as defined by the Code of Civil Procedure seems to be rather narrow and the limitations engrafted by sub-section (2) of Section 2 cannot be physically imported into the definition of the word judgment as used in clause 15 of the letters patent because the letters patent has advisedly not used the terms order or decree anywhere. The intention, therefore, of the givers of the letters patent was that the word judgment should receive a much wider and more liberal interpretation than the word judgment used in the Code of Civil Procedure. At the same time, it cannot be said that any order passed by a trial Judge would amount to a judgment; otherwise there will be no end to the number of orders which would be appealable under the letters patent. It seems to us that the word judgment has undoubtedly a concept of finality in a broader and not a narrower sense. In other words, a judgment can be of three kinds: (1) A final judgment. A judgment which decides all the questions or issues in controversy so far as the trial Judge is concerned and leaves nothing else to be decided. This would mean that by virtue of the judgment, the suit or action brought by the plaintiff is dismissed or decreed in part or in full. Such an order passed by the trial Judge indisputably and unquestionably is a judgment within the meaning of the letters patent and even amounts to a decree so that an appeal would lie from such a judgment to a Division Bench. (2) A preliminary judgment. This kind of a

judgment may take two forms(a) where the trial Judge by an order dismisses the suit without going into the merits of the suit but only on a preliminary objection raised by the defendant or the party opposing on the ground that the suit is not maintainable. Here also, as the suit is finally decided one way or the other, the order passed by the trial Judge would be a judgment finally deciding the cause so far as the Trial Judge is concerned and therefore appealable to the larger Bench. (b) Another shape which a preliminary judgment may take is that where the trial Judge passes an order after hearing the preliminary objections raised by the defendant relating to maintainability of the suit, e.g., bar of jurisdiction, res judicata, a manifest defect in the suit, absence of notice under Section 80 and the like, and these objections are decided by the trial Judge against the defendant, the suit is not terminated but continues and has to be tried on merits but the order of the trial Judge rejecting the objections doubtless adversely affects a valuable right of the defendant who, if his objections are valid, is entitled to get the suit dismissed on preliminary grounds. Thus, such an order even though it keeps the suit alive, undoubtedly decides an important aspect of the trial which affects a vital right of the defendant and must, therefore, be construed to be a judgment so as to be appealable to a larger Bench. (3) Intermediary or interlocutory judgment. Most of the interlocutory orders which contain the quality of finality are clearly specified in clauses (a) to (w) of Order 43 Rule 1 and have already been held by us to be judgments within the meaning of the letters patent and, therefore, appealable. There may also be interlocutory orders which are not covered by Order 43 Rule 1 but which also possess the characteristics and trappings of finality in that, the orders may adversely affect a valuable right of the party or decide an important aspect of the trial in an ancillary proceeding. Before such an order can be a judgment the adverse effect on the party concerned must be direct and immediate rather than indirect or remote. For instance, where the trial Judge in a suit under Order 37 of the Code of Civil Procedure refuses the defendant leave to defend the suit, the order directly affects the defendant because he loses a valuable right to defend the suit and his remedy is confined only to contest the plaintiff's case on his own evidence without being given a chance to rebut that evidence. As such an order vitally affects a valuable right of the defendant it will undoubtedly be treated as a judgment within the meaning of the letters patent so as to be appealable to a larger Bench. Take the converse case in a similar suit where the trial Judge allows the defendant to defend the suit in which case although the plaintiff is adversely affected but the damage or prejudice caused to him is not direct or immediate but of a minimal nature and rather too remote because the plaintiff still possesses his full right to show that the defence is false and succeed in the suit. Thus, such an order passed by the trial Judge would not amount to a judgment within the meaning of clause 15 of the letters patent but will be purely an interlocutory order. Similarly, suppose the trial Judge passes an order setting aside an ex parte decree against the defendant, which is not appealable under any of the clauses of Order 43 Rule 1 though an order rejecting an application to set aside the decree passed ex parte falls within Order 43 Rule 1 clause (d) and is appealable, the serious question that arises is whether or not the order first mentioned is a judgment within the meaning of letters patent. The fact, however, remains that the order setting aside the ex parte decree puts the defendant to a great advantage and works serious injustice to the plaintiff because as a consequence of the order, the plaintiff has now to contest the suit and is deprived of the fruits of the decree passed in his favour. In these circumstances, therefore, the order

passed by the trial Judge setting aside the ex parte decree vitally affects the valuable rights of the plaintiff and hence amounts to an interlocutory judgment and is therefore, appealable to a larger Bench. 114. In the course of the trial, the trial Judge may pass a number of orders whereby some of the various steps to be taken by the parties in prosecution of the suit may be of a routine nature while other orders may cause some inconvenience to one party or the other, e.g., an order refusing an adjournment, an order refusing to summon an additional witness or documents, an order refusing to condone delay in filing documents, after the first date of hearing an order of costs to one of the parties for its default or an order exercising discretion in respect of a procedural matter against one party or the other. Such orders are purely interlocutory and cannot constitute judgments because it will always be open to the aggrieved party to make a grievance of the order passed against the party concerned in the appeal against the final judgment passed by the trial Judge. 116. We might give another instance of an interlocutory order which amounts to an exercise of discretion and which may yet amount to a judgment within the meaning of the letters patent. Suppose the trial Judge allows the plaintiff to amend his plaint or include a cause of action or a relief as a result of which a vested right of limitation accrued to the defendant is taken away and rendered nugatory. It is manifest that in such cases, although the order passed by the trial Judge is purely discretionary and interlocutory, it causes gross injustice to the defendant who is deprived of a valuable right of defence to the suit. Such an order, therefore, though interlocutory in nature contains the attributes and characteristics of finality and must be treated as a judgment within the meaning of the letters patent. This is what was held by this Court in Shanti Kumar case³⁹, as discussed above. It is clear that the impugned order passed by the learned Single Judge amounts to judgment within meaning of the Letters Patent and is appealable under Section 10 of the Delhi High Court Act or Clause 10 of Letters Patent as per the abovesaid judgment.

22. In view of the above, even if the impugned order is passed under Section 151 CPC and the provision under Order 43 Rule 1 (r) are not applicable, the appeal is still maintainable on the basis of the ratio in Shah Babulal Khimjis case.

23. We, thus, hold that the appeal filed by the appellants is maintainable.

24. Now we will deal with the case of respective parties as projected by them :- THE CONTENTIONS OF THE APPELLANTS

25. The Appellant No.2 entered into several agreements with Mr. B.K.Shah, the Director of the respondent. The following are the details of the agreements executed between the Appellant No.2 and the respondents firm joint venture company known as AIA Megotteaux Ltd to manufacture in India grinding elements through JVC: a) Agreement of collaboration with the JVC of November, 1990, b) Memorandum of Agreement dated 23.06.1990, c) Non-competition agreement with Defendant No.2, the JVC and AIAL of 1990, d) Joint Venture Agreement between Plaintiff No. 1 and Defendant No.2 dated 28.06.1991, e) Technical and financial collaboration agreement with the JVC dated 28.06.1991, f) Sole distributorship agreement with the JVC dated 28.06.1991, g) Trade mark Licence Agreement with the JVC dated 28.06.1991, h)

Technical collaboration agreement with Paramount Centrispun Castings Ltd. (PCCL) of 1994, i) Joint Venture and Shareholders' Agreement (Second Amendment) dated 11.01.1995, j) Technical and Financial Collaboration Agreement dated 08.02.1995, k) Technical Know-How Licence dated 12.04.1995, / Technical collaboration agreement with Welcast dated 22.11.1996

26. During the collaboration the Appellant No.2 transferred to the respondent the following technologies/knowhow : (i) Know-how for the manufacture of Grinding Balls and Liners made of high chromium white steel or iron and other parts made of steel and/or alloy steel (Classical Products). (ii) Know-how for the manufacture of compound Wheel made of ductile iron and reinforced on the wearing surface by hard metallic inserts in high-chromium. (iii) Know-how for the manufacture of High Chromium alloys for Grinding Elements.

27. The Appellant No.2 was developing the product for use as grinding element. The research and development for the new product was completed in about 1997 and on 29th September 1997 the Appellant No.2 filed the Indian Patent Application (2769/DEL/97) before the Patent Office, Delhi, for grant of Patent of products defined as composite wear component. During the said period differences arose between the Appellant No.2 and the respondent and the said dispute was settled by virtue of Settlement Deed dated 16th February 2000. Clause 14-f of the Settlement Deed is reproduced below: 14-f. BKS and the Companies, as long as Mr. B.K. Shah owns effective majority control over the Companies, shall have the right to use in India (including exports) the know-how acquired by the Companies without any payments of any fees or royalty, but without claiming any proprietary rights in the industrial property comprised in the same; they shall not be entitled to obtain any know-how subsequently developed by MI (Plaintiff No.1) or any affiliate of MI; the right to use such know-how shall not include the right to disclose, sell, transfer or license the same."

28. The Indian Patent Application No. 2769/DEL/97 was granted in favour of appellant No.2 under the Patent Act, 1970 being Patent No. 197257.

29. According to the Appellant No.2, the said technology in which the Patent No. 197257 has been granted was not transferred to the respondent under the Settlement Deed dated 16th February 2000 since the said technology was confidential and still under development.

30. The Appellant No.2 has been granted Patent for the said invention in several countries including Australia, Brazil, China, Czech Republic, Europe, Hungary, Malaysia, Mexico, Poland, Russia, Slovakia, South Africa, South Korea, Turkey, Ukraine and United States.

31. On 12th December 2005 the Appellant No.2 signed licence agreement with Appellant No.1 to manufacture, sell etc the products using the technology covered under Patent No.197257.

32. According to the Appellants, the respondent without authority and unauthorisedly started manufacturing and selling grinding elements by using the technology for manufacturing grinder element covered under the said patent.

33. On 20th January 2006, the Appellants No.1 and 2 filed Suit No.189/06 in this court against respondent and its Director B.K. Shah for permanent injunction and damages to restrain them from infringing Patent No. 197257. The respondent filed its written statement and counter claim for revocation of patent and the respondent have also filed the review petition dated 18th January 2006 before the Controller of Patents against certain amendments allowed in the Appellant No.2s Patent. The said litigation was ultimately disposed of by this court by order dated 29th February 2008 with the direction that the petition of Appellant No.2 would be published in the Patent Journal without the three amendments which were challenged by the respondent and the leave was granted to Appellant No.2 to file its appeal qua three amendments before the Intellectual Property Appellate Board, Chennai. In the said Appeal, Assistant Controllers order dated 30th March 2007 disallowing the amendment to Appellant No.2s petition is pending before IPAB.

34. The United States Patent Office (hereinafter referred to as USPTO) granted the patent No. 6399176 to the Appellants entitled Composite wear Component which was issued on 4th June 2002 (initially the application for registration of patent was filed on 27th August 1997 as PTC application).

35. On 8th January 2008, the Appellant No.2 was granted re-issued Patent No.39998 with 22 claims. The re-issued Patent No.39998 was re-issued from US Patent No. 6399176. According to the Appellants who came to know that the grinding elements which was an infringement of Appellant No.2s re-issued Patent No.39998 were being manufactured outside USA and imported into USA by the following entities:- i) Respondent ii) M/s. Vega Industries Inc., a company incorporated in the United States of America, Tennessee USA. iii) F.A.R. Fondexe Acciaierie Roiale SPA, an entity organized under the laws of Italy, Italy.

36. As there was the importation of the composite wear component being grinding elements and/or products infringed by the respondent and two companies as mentioned at (ii) and (iii) of the Appellant No.2s re-issued Patent No.39998, therefore, the Appellants No.2 and 3 filed a Complaint (No.2609) before USITC under Section 337 of the US Tariff Act, 1930 (19USC 1337) against the respondent herein and two other companies at (ii) and (iii) above for the reliefs reproduced as under: `(a) Institute an immediate investigation pursuant to Section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, into the unlawful importation into the United States, the sale for importation into the United States, or the sale within the United States after importation by all Respondents and others of Composite Wear Components and products containing the same that infringe one or more asserted claims of the United States Reissue Patent No. 39,998; I. Determine that there has been a violation of Section 337; II. Issue a permanent general exclusion order, pursuant to Section 337(d) of the Tariff Act of 1930, as amended, excluding from entry into and sale within the United States all Composite Wear

Component and products containing the same that infringe one or more asserted claims of the United States Reissue Patent No. 39,998, or in the alternative, a permanent limited exclusion order, pursuant to Section 337 (d) of the Tariff Act of 1930, as amended, excluding from entry into and sale within the United States all of Respondents Composite Wear Components and Products containing the same that infringe one or more asserted claims of the United States Reissue Patent no. 39,998; III. Issue permanent cease and desist orders pursuant to Section 337(f) of the Tariff Act of 1930, as amended, prohibiting any Respondent or its affiliates, subsidiaries, successors, or assigns, from marketing, demonstrating, distributing, offering for sale, selling, or transferring, including the movement or shipment of inventory in the United States, any Composite Wear Components, and products containing the same that infringe one or more asserted claims of United States Reissue Patent no. 39,998; and IV. Issue each other and further relief as the Commission deems just and proper based on the facts determined by the investigation and the authority of the Commission."

37. According to the Appellants, the suit filed by Appellants No.1 and 2 in the High Court of Delhi against the infringement of Patent by the respondent and the complaint filed by Appellants No.2 and 3 under Section 337 of the US Tariff Act, 1930 are entirely different and on different cause of action and comparison chart of the governing law are given below :- Appellants No.1 and 2's CS(OS) 189/2006 in the High Court of Delhi under (Indian) Patents Act, 1970. Appellants No.2 and 3's complaint no. 2609 U/S. 337, (US) Tariff Act, 1930 S. 48. Rights of Patentees - A patent granted under this act shall confer upon the patentee (a) where the subject matter of the patent is a product, the exclusive right to prevent third parties who do not have his consent, from the act of making, using, offering for sale, selling or importing for those purposes that product in India, (b) where the subject matter of the patent is a process ... (not relevant) S. 337 - Unfair practices in Import Trade (a) Unlawful activities; covered industries; definitions (1) Subject to paragraph (2) the following are unlawful and when found by the Commission to exist, shall be dealt with in addition to any other provision of law, as provided in this section (A) Unfair methods of competition and unfair acts in the importation of articles .. the threat or effect of which is - (i) to destroy or substantially injure an industry in the US; (ii) to prevent the establishment of such an industry, or (iii) to restrain or monopolise trade and commerce in the US. (8) The importation into the US, the sale or importation or the sale within the US after importation by the owner, importer or consignee of articles that (i) infringe a valid and enforceable United States patent or a valid and enforceable United States copyright registered under title 17 or (ii) ... (C) . (0) . (E) . (2) . (3) . (4) For the purposes of this section, the phrase "owner, importer, or consignee" includes any agent of the owner, importer, or consignee. S. 104. Jurisdiction - No suit for a declaration under Section 105 or for any relief under Section 106 or for infringement of patent shall be instituted in any court inferior to a district court having jurisdiction to try the suit. Provided that where a counter claim ... (not relevant) S. 337 (b) Investigation of violations by Commission (1) The Commission shall investigate any alleged violation of this section .. the Commission shall publish notice thereof in the Federal Register To promote expeditious adjudication, the Commission shall, within 45 days after an investigation is initiated, establish a target date for its final determination. (2) ... (3) S. 104-A. Burden of Proof in Case of Suits concerning

Infringement - (1) In any suit for infringement of a patent, where the subject matter of patent is a process for obtaining a product, the court may direct the Defendant to prove that the process used by him to obtain the product, identical to the product of the patented process, is different from the patented process if (a) the subject matter of the patent is a process for obtaining a new product, (b) there is a substantial likelihood that the identical product is made by the process ... (2) In considering whether a party has discharged the burden imposed upon him by sub section (1), the court shall not require him to disclose any manufacturing or commercial secrets if it appears to the court that it would be unreasonable to do so. (c) Determinations; review The Commission shall determine, with respect to each investigation conducted by it under this section, whether or not there is a violation of this section ... All legal and equitable defences may be presented in all cases. A respondent may raise any counter claim in a manner prescribed by the Commission. Immediately after a Counter Claim is received by the Commission, the Respondent raising such Counter Claim shall file a notice of removal with a United States District Court in which venue for any of the Counter Claims raised by the party would exist under Section 139 of title 28. Any Counter Claim raised pursuant to this section shall relate back to the date of the original complaint. .. (d) Exclusion of articles from entry (1) If the Commission determines, as a result of an investigation under this section, that there is a violation of this section, it shall direct that the articles concerned, imported by any person violating the provision of this section, be excluded from entry into the United States ... (2) The authority of the Commission to order an exclusion from entry of articles shall be limited to persons determined by the Commission to be violating this section ... (e) ... (f) Cease and desist orders; civil penalty for violation of orders (1) In addition to, in lieu of, taking action under subsection (d) or (e) of this section, the Commission may issue and cause to be served on any person violating this section, or believed to be violating this section, as the case may be, an order directing such person to cease and desist from engaging in the unfair methods or acts involved, unless after considering the effect of such order upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and the United States consumers, it finds that such order should not be issued

38. Learned senior counsel for the Appellants also relied upon the employment contract with effect from 1st November 1996 for the undermine duration between Appellant No.2 and Mr. B.K. Shah who is the Director, Business Development Utilities of the respondent company. In the said employment contract, learned senior counsel for the Appellants has relied upon Paras 1, 7 and 8 of the said contract which is reproduced below:- 1. The Company has engaged Mr. B.K.Shah as Director, Business Development Utilities. The description of their functions are given herein as Annexure I. It is, however, agreed that the company will be entitled to entrust Mr. B.K.Shah with other tasks according to the requirement of the Magatheaux Group Management. The function of Mr. B.K.Shah are full time ones. However, Mr. B.K.Shah is authorised to continue exercising activities in other activities including investment business if he wants to. To perform his tasks Mr. B.Shah will have to travel in different portions of the world. His functions will be organized at the double geographical basis, Ahmedabad in India but also Louvain-LA-Nelive,Belguim. Instead it will be necessary forMr. B.K.Shah to spend the significant part of his work time in Uege (Naux-South Chavemau) and Louvain-LA-NEUVE where

the holders of the company are located to attend the meetings and to communicate with his colleagues. 7. UNFAIR COMPETITION Both in the use of contractual duration and after its termination Mr. B.K. Shah must refrain from disclosing to competitors or other persons and companies manufacture or business secrets and to engage in any other act of unfair competition. However, carrying on the business by NAM Greyaasi Foundry in which he has equity and/or business activities shall not be construed an unfair and/or competitive business. 8. NON COMPETITION AGREEMENT Mr. B.K. Shah acknowledges that the company owns the field of activity as well as its own Research Development Department and that the business he will be brought to deliver will enable him to get acquainted with the original element of the companies, scientific technology and techno commercial business.

39. The Appellants also alleged that the terms subsequently made in clause 14(f) of the Settlement Deed dated 16th February 2000 refers to technology developed subsequent to 1997 and not 2000. Post 1997 in correspondence exchanged between the parties, the respondent kept requesting for the know-how of the padding technology but the Appellants from time to time informed the respondent that the said technology was not ready to be transferred as the same was under development. Although the respondent has filed the five drawings to show the transfer of technology, the said drawings according to the Appellants were never given to the respondent by way of transfer of technology and the drawings bears a warning against use of the drawings without prior written permission.

40. The other transfer of drawings mentioned by the respondent in the letter dated 19th December 1997 do not relate to padding technology and the same are only old technology used by the respondent earlier. According to the Appellants between 1997 to 2000 there was mere correspondence exchanged between the parties and there was no transfer of technology as none of the party was manufacturing their respective products under the subject matter of the Patent. On the other hand, the respondent has denied the contention of the Appellants. CONTENTION OF THE RESPONDENT

41. The product feature of US Patent is identical to that covered under the Indian Patent. The appellants No.1 and 3 are subsidiary of Appellant No.2 and hence they collectively constitute single economic entity. The appellant No.2 is a co-complainant in US with Appellant No.3 in USITC proceedings. The Appellant No.2 is also a co-complainant in India with Appellant No.1 in civil Suit No. 189/06 claiming infringement of the same product. The product in question is composite wear product which is the description of product of Indian Patent No.197257 and US Patent re No.39998E. According to the respondent product in question is broadly identified as composite wear product being Patent No. 197257 and US Patent No. RE 3998E as evident from the following table : S.NO. Patent no. 197257 India Patent RE 39 998 E (USA 1. Subject of invention Composite wear components : The present invention relates to a composite wear component produced by casting and consisting of a metal matrix whose wear face comprises inserts which have good wear resistance properties. Subject of invention Composite wear components : The present invention relates to a composite wear component produced by casting and consisting of a metal matrix whose ear face

comprises inserts which have good wear resistance properties. 2. Technological background underlying the invention The invention relates especially to wear components employed in plants for grinding, crushing and conveying various abrasive materials which are encountered in industries such as cement factories, mines, metallurgy, electricity generating stations or various quarries Technological background underlying the invention The invention relates especially to wear components employed in plants for grinding, crushing and conveying various abrasive materials which are encountered in industries such as cement factories, mines, metallurgy, electricity generating stations or various quarries 3. Main characteristic elements of the invention To meet the first objective the invention proposes a composite wear component produced by conventional or centrifugal casting. It consists of a metal matrix whose wear surface comprises inserts which have good abrasion resistance properties, these inserts being made of a ceramic material, itself composite, consisting of a solid solution or homogeneous phase of 20 to 80% of Al_2O_3 and 80 to 20% of ZrO_2 , the percentages being expressed by weights of constituents Main characteristic elements of the invention To meet the first objective the invention proposes a composite wear component produced by conventional or centrifugal casting. It consists of a metal matrix whose wear surface comprises inserts which have good abrasion resistance properties, these inserts being made of a ceramic material, itself composite, consisting of a solid solution or homogeneous phase of 20 to 80% of Al_2O_3 and 80 to 20% or ZrO_2 , the percentages being expressed by weights of constituents 4. Brief description of the accompanying figures and example 1 manufacture of ejector for a crusher with a vertical shaft similar description to that of US patent: A mixture of 75% of Al_2O_3 and 23% of ZrO_2 is made up, the two constituents of which are fused by electro fusion to form composite grains of a particle size included in the categories F6 to F20 of the FEP A standard. Example 2 : manufacture of crusher rotor Example 3: beater Brief description of the accompanying figures and example Example I - Same Example 2 - same Example 3 Same 5. Claims Composite wear component produced by casting and consisting of a metal matrix whose working face or faces has inserts which have a very high wear resistance, characterized in that the inserts consist of a ceramic pad, this porous ceramic pad being composite, comprising a homogeneous phase of 20 to 80% of Al_2O_3 and 80 to 20% of ZrO_2 , the percentages being expressed by weights of the constituents, and the ceramic pads being impregnated with a liquid metal of the kind such as herein described during the casting wherein the content of ceramic material in the insert is between 35-80% by volume. 2. Composite wear component as claimed in claim 1, wherein the ceramic pad has from 55 to 60% by weight of Al_2O_3 and 40 to 42 % by weight of ZrO_2 . 3. Composite wear component as claimed in claim 1, wherein the ceramic pad has from 70 to 77% by weight of Al_2O_3 and from 23 to 27% by weight of ZrO_2 . 4. Composite wear component as claimed in any one of the preceding claims wherein the content of ceramic materials in the insert is between 40 and 60% by volume and advantageously of the order of 50% by volume. Claims 1. Composite wear component produced by classical or centrifugal casting and consisting of a metal matrix having a working face or faces including inserts which have wear resistance, . wherein, the inserts consist of a porous ceramic pad, the porous ceramic pad consisting of a homogeneous ceramic composite. of 20 to 80% of Al_2O_3 and 80 to 20% of ZrO_2 , the percentages being expressed by weights of the constituents, and the porous ceramic pad being

integrated into the metal matrix by impregnation of a liquid metal in the porous ceramic pad during the casting. 2. Composite wear component according to claim 1, wherein the ceramic material includes from 55 to 60% by weight of Al₂O₃ and from 40 to 45. % by weight of ZrO₂. 3. Composite wear component according to claim 1, wherein the ceramic material includes from 70 to 77% by weight of Al₂O₃ and from 23 to 30% by weight of ZrO₂. 4. Composite wear component according to claim 1, wherein the content of ceramic materials in the insert is between 35 and 80% by volume.

42. In view of the above, the respondent submits that in a way the Appellants themselves accept that the product manufactured by the respondent is the same as would be covered by US Patent and the product contemplated to be exported in India.

43. On the aforesaid premise, in the suit for anti suit injunction filed by the respondent, the respondent argues that it is entitled to the injunction on the following basis : (A) The Appellant No.2 had filed a Patent in USA for composite wear component. The said petition was originally issued as Patent No. 6399176. Subsequently it was amended and re-issued Patent 39998E was issued to the Appellant No.2. Thus, according to the respondent the RE-39998E is again part of Patent No.197257. Both relate to one and the same product. (B) Since the complaint was made by Appellants No.2 and 3 before the USITC dated 21st March 2008 admittedly the said complaint has been filed against the respondents and its subsidiary Vega Industries Inc., Tennessee, USA as well as FAR Fonderie Acciaierie Roiale S.p.a. Udine, Italy. (C) According to the respondent by virtue of Section 337 of the Tariff Act, 1930 the holder of US Patent can only prevent import into US of patent product upon satisfaction of certain conditions and after it is proved that such acts have the effect of (i) destroy or substantially injure the industry (ii) prevent the establishment of such industry or (iii) restrain or monopolise trade and commerce in US. (D) The remedies under this provision include order of restraint against the alleged infringer restraining the purported infringer from importing the allegedly infringing article. The respondent further alleged that in the complaint filed by the Appellants No.2 and 3 at USITC, the most important relief sought is the issuance of injunction/exclusion order excluding respondents :- Vega Industries Inc. and FAR Foundrie Acciaierie SPA from entering into and sell within the United States. However, the appellants No.2 and 3 were unable to find any relevant infringing products sold by the respondent in US. (E) It was also stated that the relief sought in Suit No.189/06 as compared with the relief sought in the Complaint at USITC is almost the same and it is clear that the Appellant No.2 has invoked the jurisdiction of two different fora for obtaining the same relief and the entire exercise of the Appellants No.2 and 3 in filing the complaint is motivated by pressure tactics employed by the Appellants to harass the respondent to the extent possible and drag them into litigation in various places, after having failed to obtain desired order in Civil Suit No.189/06. (F) According to the respondent, there was deliberate move on the part of the appellants to make Appellant No.3 as a party to the aforesaid complaint before the USITC, in order to invoke the jurisdiction of USITC under Section 337. Similarly, in India the Appellant No.1 was arrayed as party to the suit to invoke the jurisdiction of this court in Civil Suit No.189/06 although, essentially the dispute is between the Appellant No.2 and the respondent. (G) As such the proceedings before the USITC against the respondent and its affiliate Vega

Industries Inc. are against the principle of res subjudice and are oppressive, vexatious, ill-founded and abuse of the process of the law. Hence, according to the respondents the USITC is not the natural forum and the complaint has been filed only to harass the respondent and the Appellant No.2 cannot be allowed to go forum shopping and file complaints and sits in foreign jurisdiction for the same cause of action as the same violates the cordial rule that the jurisdiction of the proceedings are determined by location and activity of the respondent. (H) Since the proceedings and complaint before the USITC is vexatious and oppressive specially in view of the pendency of Suit No. 189/06 in which the respondent has appeared and participated and the matter is sub judice and when the USITC has already issued the notice to the subsidiary of the respondents, the Appellants No.1 to 3 are required to be restrained from proceeding further with the said complaint.

44. Two observations are required before we proceed to discuss the aforesaid submissions : (1) We heard learned senior counsel for the parties on various dates. At the conclusion of the arguments on 7th November, 2008 the learned senior counsel for the Appellants had made the statement before us that too with prejudice and on the specific instructions received from the Appellants Attorney in India, that the Appellants do not press Suit No.189/06 filed against the respondent before this court and wish to unconditionally withdraw the said suit. It was also stated that appropriate steps in this regard would be taken by the Appellants in the said suit and this court while giving the decision may consider this aspect of the matter also. On the other hand learned senior counsel for the respondent has stated that the respondent has no objection if the suit is dismissed as withdrawn unconditionally. However, this Court has to consider the matter in question on the date of filing of the suit and even assuming for the sake of argument that no suit was pending and the same has been withdrawn, still the court has the power to pass the anti suit injunction as in number of the cases decided by this Court and Apex Court, the interim order in anti suit injunction has been passed by the courts where no earlier suit was pending between the parties. (2) Learned senior counsel for the parties are agreeable that this court may not decide the matter on merit as the scope of the appeal is limited viz. whether the ex-parte order passed in the suit for anti suit injunction is sustainable in law, as per the facts and circumstances of the present case.

45. By this order as agreed by the parties we are not expressing any opinion regarding the validity and infringement of Patent granted in favour of appellant No.2 in the U.S.A. or in India. OUR DISCUSSION

46. Learned senior counsel for both the parties have not disputed the fact that the courts in India have the necessary power to issue the anti suit injunction to a party over whom it has personal jurisdiction, in an appropriate case. The learned senior counsel for the parties have cited number of judgments in support of their respective rival submissions.

47. The leaned senior counsel for the appellants has cited the following judgments on the point of anti suit injunction :- a) (India TV) Independent News Service Pvt. Ltd v. India Broadcast Live LLC and Ors. [2007 (35) PTC 177 (Del)] b) PPN Power Generating

Company Limited v. PPN (Mauritius) Company and Ors [2005 (3) Arb LT 354 (Madras) (DB)] c) Modi Entertainment Network and Anr v. W.S.G. Cricket Pvt. Ltd [(2003) 4 Supreme Court Cases 341] d) Airbus Industry GIE v. Patel and Ors [(1998) 2 All ER 257] e) SNI Aerospatiale v. Lee Kui Jak and Anr [(1987) 3 All ER 510] f) Jan K. Voda, M.D. v. Cordis Corporation; 476 F. 3d 887 (Fed. Cir. 2007) In addition to the Modis case (supra), the learned senior counsel for the respondent has cited the following judgments :- a) Power Gen. C. Ltd. vs. PPN Mauritius 2005 (3) ALR 354. b) ONGC vs. Western Co. c) Spiliada Maritime Corp. vs. Cansulex Ltd : 1987 AC 460. d) Cell Tech vs. MedImmune 2005 FSR 21. e) State of UP vs. Renusagar (1991) 4 SCC 270. f) Amchem Products Inc. vs. British Columbia : 1993 Carswell BC 47. 1) Societe Nationale Industrielle Aerospatiale vs. Lect Kui JAK and Anr. : 1987 WL 491669 (Privy Council) .

48. Since the law on anti suit injunction is pretty settled which has been followed from time to time in various cases, hence it is not necessary to discuss each and every judgment in detail. The principles governing the anti suit injunction have been referred by the Honble Supreme Court of India in Modi Entertainment Network and Anr. Vs. W.S.G. Cricket PTE. Ltd.; 2003 (4) SCC 341 and at p. 360 para 24 it was held as under : From the above discussion the following principles emerge: 24. (1) In exercising discretion to grant an anti-suit injunction the court must be satisfied of the following aspects:- (a) the defendant, against whom injunction is sought, is amenable to the personal jurisdiction of the court; (b) if the injunction is declined the ends of justice will be defeated and injustice will be perpetuated; and (c) the principle of comity -- respect for the court in which the commencement or continuance of action/proceeding is sought to be restrained -- must be borne in mind (2) in a case where more forums than one are available, the Court in exercise of its discretion to grant anti-suit injunction will examine as to which is the appropriate forum (Forum conveniens) having regard to the convenience of the parties and may grant anti-suit injunction in regard to proceedings which are oppressive or vexatious or in a forum non-conveniens; (3) Where jurisdiction of a court is invoked on the basis of jurisdiction clause in a contract, the recitals therein in regard to exclusive or non-exclusive jurisdiction of the court of choice of the parties are not determinative but are relevant factors and when a question arises as to the nature of jurisdiction agreed to between the parties the court has to decide the same on a true interpretation of the contract on the facts and in the circumstances of each case; (4) a court of natural jurisdiction will not normally grant anti-suit injunction against a defendant before it where parties have agreed to submit to the exclusive jurisdiction of a court including a foreign court, a forum of their choice in regard to the commencement or continuance of proceedings in the court of choice, save in an exceptional case for good and sufficient reasons, with a view to prevent injustice in circumstances such as which permit a contracting party to be relieved of the burden of the contract; or since the date of the contract the circumstances or subsequent events have made it impossible for the party seeking injunction to prosecute the case in the court of choice because the essence of the jurisdiction of the court does not exist or because of a vis major or force majeure and the like; (5) where parties have agreed, under a non- exclusive jurisdiction clause, to approach a neutral foreign forum and be governed by the law applicable to it for the resolution of their disputes arising under the contract, ordinarily no anti- suit injunction will be granted in regard to proceedings in such a forum conveniens and favoured forum

as it shall be presumed that the parties have thought over their convenience and all other relevant factors before submitting to non-exclusive jurisdiction of the court of their choice which cannot be treated just an alternative forum; (6) a party to the contract containing jurisdiction clause cannot normally be prevented from approaching the court of choice of the parties as it would amount to aiding breach of the contract; yet when one of the parties to the jurisdiction clause approaches the court of choice in which exclusive or non- exclusive jurisdiction is created, the proceedings in that court cannot per se be treated as vexatious or oppressive nor can the court be said to be forum non- conveniens; and (7) the burden of establishing that the forum of the choice is a forum non- conveniens or the proceedings therein are oppressive or vexatious would be on the party so contending to aver and prove the same.

49. The abovesaid principles governing the anti-suit injunction in India have been normally followed by this Court subsequently in various judgments including India T.V. case (supra) and very recently in the case of Moser Baer India Ltd. Vs. Koninklijke Philips Electronics NV. And Ors. reported in 151 (2008) DLT 180, which is the judgment authored by a learned Single Judge of this Court.

50. In the case of Moser Baer India Ltd. case (supra), the relevant paras of the said judgment are reproduced hereinbelow : 7. The concepts of anti-suit injunction and forum non conveniens require some examination. An anti-suit injunction is granted by a court preventing the parties before it from instituting or continuing with proceedings in another Court. On the other hand, the doctrine of forum non conveniens is invoked by a court to not entertain a matter presented before it in view of the fact that there exists a more appropriate court of competent jurisdiction which would be in a better position to decide the lis between the parties. So, in a sense the principle on which an anti-suit injunction is invoked is just the reverse of the principle on which the doctrine of forum non conveniens is employed. To make it absolutely clear, an example would be appropriate. Assuming that there are two courts A and B at different places and both having jurisdiction in a particular matter, a party may approach court A for an anti-suit injunction against the other party preventing them from instituting a suit or other proceeding in court B. Of course, while considering the grant of an anti-suit injunction, court A would take into account as to which of the two courts is the more convenient forum. However, when a party approaches court A and the defendants take up the plea that court A is a forum non conveniens and that the matter ought to be more appropriately dealt with by court B, then court A, invoking the principles of forum non conveniens, may refuse to entertain the matter presented to it and direct the parties to approach court B being the more convenient forum. Thus, it is seen that in an anti-suit injunction, one court grants an injunction restraining the parties from approaching another court. Whereas, in the case of the doctrine of forum non conveniens, the court before whom the matter is presented, itself refuses to entertain the same and directs the parties to approach the other court being the more appropriate and convenient forum. It must also be kept in mind that the court granting an anti-suit injunction must otherwise have jurisdiction over the matter. Similarly, the court rejecting a matter on the principle of forum non conveniens, must otherwise also have jurisdiction to entertain the same. This is so because if the court in either case does not have jurisdiction then, it cannot deal with the

matter and, consequently, it can neither grant an anti-suit injunction nor pass an order refusing to hear the matter on the plea of forum non conveniens. 10. With regard to the statement that the defendants would not take any "precipitate" action, there could only be two possible views. Either the expression covered the filing of the suit at the Hague and continuing with the proceedings at Minnesota, or it did not. If it were the former then, a virtual anti-suit injunction has already been granted by the Court in CS(OS) 2026/2006 and no further suit for the same relief can be entertained. If there has been a violation of such an undertaking or order then, there is remedy provided under the CPC as well as under the Contempt of Courts Act, 1971 to not only seek enforcement but also punishment of the defendants. That would be a course of action which can be pursued by the plaintiff either in CS(OS) 2026/2006 itself or by way of a separate contempt petition. A suit, such as the present, would not lie. On the other hand, if the expression 'precipitate action' did not include the filing of other proceedings by the defendants then, in any event, the present suit seeking anti-suit injunction, cannot be founded on the basis of the undertaking/ statement recorded on 03.11.2006 in CS(OS) 2026/2006. Thus, whichever way the matter is looked at, the statement / undertaking made by the counsel for the defendants on 03.11.2006 is irrelevant for the purposes of considering the present application and suit for anti-suit injunction. 12. A suit with respect to a dispute relating to the DPLAs could only have been instituted, where Moser Baer India Limited is the plaintiff, in the competent courts of the Hague, the Netherlands. The argument to the contrary submitted on behalf of the plaintiff cannot be accepted for the aforesaid reasons. It is, therefore, clear that this Court would not have jurisdiction to entertain the present suit. That being the position, there is no question of granting an anti-suit injunction. It is also reiterated that the argument of forum non-conveniens can only be raised where the court before whom such an argument is raised, does otherwise have jurisdiction in the strict sense. It could, if at all, be raised in the courts at the Hague.

51. The case has to be decided by making the enquiry as to whether the present case falls within the parameters of the principles for the grant of anti suit injunction or not. At the outset, it is interesting to note para-9 of Modi Entertainment Network's judgment {supra} wherein the Hon'ble Supreme Court of India discussed the grant of anti-suit injunction :- 9. The Courts in India like the Courts in England are Courts of both law and equity. The principles governing grant of injunction an equitable relief by a Court will also govern grant of anti-suit injunction which is but a species of injunction. When a court restrains a party to a suit/proceeding before it from instituting or prosecuting a case in another Court including a foreign Court, it is called anti-suit injunction. It is a common ground that the Courts in India have power to issue anti-suit injunction to a party over whom it has personal jurisdiction, in an appropriate case. This is because Courts of equity exercise jurisdiction in personam. However, having regard to the rule of comity, this power will be exercised sparingly because such an injunction though directed against a person, in effect causes interference in the exercise of jurisdiction by another Court.

52. In the present case, in the absence of any contractual dispute or clause wherein the parties have agreed to submit to the jurisdiction of a particular court, the discussion, pertaining to submission to the exclusive jurisdiction of court, does not arise and the mere ground of forum inconvenience/forum convenience raised by the parties may be

adjudicated on the basis of inconvenience or hardship of the respective parties to the present proceedings.

53. As we have seen earlier in the discussion that the question of anti-suit injunction has been discussed by Honble Supreme Court in Modis case (supra) and subsequently followed by this Honble Court in many decisions. Most of the decisions given by this Court as well as the Honble Supreme Court in Modis case involves contractual dispute wherein the parties have agreed to submit themselves to the jurisdiction of one court or the other i.e. the foreign court. Such kind of situation is missing in the present case. In the absence of contractual dispute between the parties, we have to examine the present controversy by applying principles of ordinary civil law more specifically under the provisions of Section 10 of CPC in the principles of res subjudice. The explanation to Section 10 provides that the pendency of a suit in a foreign court does not preclude the courts in India from trying a suit founded on the same cause of action. Applying the said principle conversely would mean that the foreign court is not precluded from entertaining any suit on the basis of some cause of action merely because the suit is pending in Indian Court. In the case in hand pending in this Court and the cause of action pertaining to the proceedings pending in the US Court is different. Even assuming the cause of action pertaining to both the proceedings are same then by applying the explanation of Section 10 of CPC, the said action is maintainable in the US Court and the grant of anti-suit injunction by the learned single judge is not appropriate in the present case.

54. While undertaking this exercise, we shall have to look into the provision under which proceedings are instituted in USITC. The Appellants has also filed the print out of Section 337 of the US Tariff Act, 1930 (19 USC 1337) from USITC website and the said provisions are reproduced herein below: 1337. Unfair practices in import trade (a) Unlawful activities; covered industries; definitions (1) Subject to paragraph (2), the following are unlawful, and when found by the Commission to exist shall be dealt with, in addition to any other provision of law, as provided in this section: (A) Unfair methods of competition and unfair acts in the importation of articles (other than articles provided for in sub-paragraphs (B), (C), (D) and (E) into the United States, or in the sale of such articles by the owner, importer, or consignee, the threat or effect of which is (i) to destroy or substantially injure an industry in the United States; (ii) to prevent the establishment of such an industry; or (iii) to restrain or monopolize trade and commerce in the United States. (B) The importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consignee, of articles that (i) infringe a valid and enforceable United States patent or a valid and enforceable United States copyright registered under title 17; or (ii) are made, produced, processed, or mined under, or by means of, a process covered by the claims of a valid and enforceable United States patent. (C) The importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consignee, of articles that infringe a valid and enforceable United States trademark registered under the Trademark Act of 1946 (15 U.S.C. 105et seq.). (D) The importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consignee, of a semiconductor chip product in a manner that constitutes infringement of a mask work registered under

chapter 9 of title 17. (E) The importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consignee, of an article that constitutes infringement of the exclusive rights in a design protected under chapter 13 of title [17 U.S.C.A. §1301 et seq.] (2) Subparagraphs (B), (C) and (D) of paragraph (1) apply only if an industry in the United States, relating to the articles protected by the patent, copyright, trademark, mask work or design concerned, exists or is in the process of being established. (3) For purposes of paragraph (2), an industry in the United States shall be considered to exist if there is in the United States, with respect to the articles protected by the patent, copyright, trademark, mask work or design concerned- (A) Significant investment in plant and equipment; (B) Significant employment of labour or capital; or (C) Substantial investment in its exploitation, including engineering, research and development, or licensing. (4) For the purposes of this section, the phrase owner, importer, or consignee includes any agent of the owner, importer, or consignee. COMPARISON OF CAUSE OF ACTION IN TWO PROCEEDINGS

55. In suit No.189/06 filed by Appellants No.1 and 2 in this court for infringement of Patent No. 197257, passing off, permanent injunction and damages, the cause of action has been mentioned in the suit in Para 61 of the plaint which is reproduced below:- Para 61. The cause of action in the suit arose in favour of the Plaintiffs against the Defendants when the Controller of Patents and Designs issued letter No.2769/DEL/97/10251 dated 02.12.2006 intimating the agent of the plaintiff No.1 that a Patent with number 197257 has been granted for the subject application and a Letter Patent will follow shortly. The cause of action arose again when the License Agreement dated 12/12/2005 was executed between the Plaintiff No.1 and Plaintiff No.2 granting license to the Plaintiff No.2 to manufacture the Grinding Elements having a Wearing Part as per the know- how being subject matter of patent No.197257. The cause of action is a continuing one and accrues each day that the Defendants infringe the Plaintiff No.1s said Patent by manufacturing, selling or offering for sale Grinding Elements having Wearing Parts which are identical in composition, form, content and application to the Plaintiff No.1s Wearing Part protected by the aforesaid Patent No.197257.

56. Similarly, the cause of action in the Complaint is mostly for infringement of Patent No. 39998E granted in favour of Appellant No.2 in U.S.A. The description of infringement and importation against the respondents and its two subsidiaries are given in Para 37 to 45 of the Complaint filed under Section 337-D of the US Trade Tariff Act, 1930 which are reproduced below:- Para 37. On information and belief AIA Engineering Ltd. And VEGA Industries manufacture, or have manufactured on their behalf, import, or have imported on their behalf, and/or sell Composite Wear Components, including but not limited to, grinding tables for use in vertical roller mill grinders imported into and sold in the United States that infringe one or more claims of the asserted 998 Reissue Patent, (Confidential Exhibit G). This product is sold under the Sintercast trademark, (Exhibit I). 38. On information and belief, Composite Wear Components that are manufactured, imported, and/or sold by AIAE and VEGA infringe the claims of the 998 Reissue Patent. 39. On information and belief, AIAE and VEGA, or others on its behalf, manufacture, sell and import infringing Composite Wear Components for use in wear

mechanisms and grinding processes. AIAE products were purchased in the United States and contain Composite Wear Components that fall within the claims of the 998 Reissue Patent (Confidential Exhibit A, Taylor Declaration). 40. As can be seen from the Taylor Declaration, AIAE and VEGA have made numerable sales into the United States of products that are believed to infringe the 998 Reissue Patent. 41. While Magotteaux has not been able to obtain samples of AIAE's products in the United States, Magotteaux has obtained samples of the product in India, (Taylor Declaration). The claims of the United States 998 Reissue Patent read on the samples analyzed, (Confidential Exhibit G). As noted, Magotteaux personnel have no reason to believe that AIAE has changed its formulation in the United States and are not aware of any noninfringing commercially acceptable substitutes (Confidential Exhibit A, Taylor Declaration). B. F.A.R. 42. On information and belief, F.A.R. (Fonderie Acciaierio Rolate S.p.a.) manufactures, or has manufactured on its behalf, import, or have imported on their behalf, and/or sell Composite Wear Components, including but not limited to, grinding tables for use in vertical roller mill grinders imported into and sold in the United States that infringe one or more claims of the asserted 998 Reissue Patent. This product is sold under private label designations by F.A.R. distributors, (Confidential Exhibit A, Taylor Declaration). 43. On information and belief, Composite Wear Components that are manufactured, imported, and/or sold by F.A.R. and/or others on its behalf infringe the claims of the 998 Reissue Patent. 44. On information and belief, F.A.R. or others on its behalf, manufacture, sell and import infringing Composite Wear Components for use in wear mechanisms and grinding processes. 45. While Magotteaux has not been able to obtain samples of F.A.R.'s product in the United States, Magotteaux has obtained samples of the product in Europe, (Taylor Declaration, Confidential Exhibit A). The claims of the United States 998 Reissue Patent read on the samples analyzed, (Confidential Exhibit I). As noted, Magotteaux personnel have no reason to believe that F.A.R. has changed its formulation in the United States and are not aware of any non infringing commercially acceptable substitutes.

57. It appears that the causes of action in both the matters are different and occur on different dates which becomes relevant for the consideration of the grant of anti suit injunction. In Suit No. 189/06 there was no specific averment that the respondent has appointed two companies in USA and Italy to deal with the product i.e. composite wear components in question. It was also not alleged by either of the parties that the respondent has actually been exporting the product in question under the infringement of Patent of appellant No.2 granted in India nor there is any averment by the Appellants or respondent that the respondent is exporting composite wear components from India, and/or two companies appointed by the respondent has imported the goods from U.S.A.

58. It also appears from the record that M/s. Vega Industries Inc.Ltd. Tennessee, USA and M/s. F.A.R Fonderie Acciaierie Roiale SPA who are respondents No.2 and 3 in the complaint under Section 337 of the US Trade Tariff Act of 1930 are not the parties in Suit No. 189/06. The allegation against the respondent and above said two companies made by the Appellants No.2 and 3 in the Complaint is that the respondent and its two companies manufactured or have manufactured on their behalf and have imported their goods and/or sold composite wear components Grinding tables for US in vertical roller

Mill grinders imported into or sold in US amounts to infringement of re-issuance of Patent No.39998E. It is also a matter of fact that the re-issuance of Patent granted in favour of Appellant No.2 in U.S.A. is subsequent to the suit by the appellants No.1 and 2 in this court for infringement of patent in India. In view of the above, the proceedings, which are pending in USA are based upon separate cause of action which has occurred on the separate date and it relates to the patent rights granted in foreign nation.

59. The injunction has to be negated in the principle of res subjudice. Even the anti suit injunction has been denied on the ground of different parties in Moser Bear case (supra) by this court wherein it was observed : .Secondly, the action was brought by Imation Corporation against the defendant No.1. it is primarily not an action brought by the defendant No.1. But, an action instituted by a third party (Imation Corporation) in which the plaintiff herein was, initially, not even a party. Considering these observation, it is apparent that the parties to the proceedings are different and the nature of the proceedings as well as the cause of action are different. For the abovesaid reasons, we feel that the present case does not satisfy the tests of grant of anti suit injunction.

60. It is established law that the patent rights are sovereign rights granted by the sovereign State to give limited monopoly rights to the inventor in exclusion of others, who manufactures the said articles within the territorial limits of the State. It is necessary to quote the definition of Patent as provided in Patent Law of P. Naryanans 4th Edition the word Patent as used in this title denotes a monopoly right in respect of invention. The Patent is defined, in the new Shorter Oxford English Dictionary edited by Leslie Brown, Vol. 2, N-Z (1993) at p.2121 and 2130, as a document constituting letters patent especially a licence from a Government to an individual or organization conferring for a set period, the sole right to make, use or sell some product or invention, a right conferred in this way.

61. The patent is a right granted by the sovereign State to the exclusion of other for a set period to make or to use or to sell some products, more particularly, invention and it is, therefore, a creation of statute. The privilege in the sense is a right, advantage or immunity granted to a person to the exclusion of others.

62. We may also point out that in the case of Jan K. Voda vs. Cordis Corp; 476 F 3d 887 (Fed. Cir. 2007), the details of the treaties as supreme law of the land is referred to in this respect, the same is given below : a. Treaties as the supreme law of the land Article VI of the Constitution proclaims that all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land. U.S. Const. art. VI, cl.2. The Supreme Court has accordingly stated that a treaty ratified by the United States is not only the law of this land, see U.S. Const., Art. II S 2, but also an agreement among sovereign powers. EI AI Isr. Airlines, Ltd. v. Tsui Yuan Tseng, 525 U.S. 155, 167 (1999) (citation omitted). The United States entered into Articles 13 through 30 of the Paris Convention for the Protection of Industrial Property (Paris Convention) on September 5, 1970 and Articles 1 through 12 of the Paris Convention on August 25, 1973. Paris Convention, art. 13-30, 21 U.S.T. 1583; id. art. 1-12, 24 U 2140. Article 4bis of the Paris Convention states that U.S. patents shall be independent of patents obtained for the same

invention in other countries and that the foregoing provision is to be understood in an unrestricted sense, both as regards the grounds for nullity and forfeiture. In addition, Article 2(3) of the Paris Convention states that the provisions of the laws of each of the countries of the Union relating to judicial and administrative procedure and to jurisdiction, ..which may be required by the laws on industrial property are expressly reserved. The Paris Convention thus clearly expresses the independence of each country's sovereign patent systems and their systems for adjudicating those patents. Nothing in the Paris Convention contemplates or allows one jurisdiction to adjudicate the patents of another, and as such, our courts should not determine the validity and infringement of foreign patents. Accordingly, while the Paris Convention contains no express jurisdictional-stripping statute, we relied on it in *Stein* to hold that [o]nly a British court, applying British law, can determine validity and infringement of British patents. 748 F.2d at 658. Subsequently, the United States adopted the Patent Cooperation Treaty (PCT) on January 24, 1978. Patent Cooperation Treaty, 28 U.S.T. 7645. As with the Paris Convention, the text of the PCT maintains the independence of each country's patents. Article 27(5) states: Nothing in this Treaty and the Regulations is intended to be construed as prescribing anything that would limit the freedom of each contracting State to prescribe such substantive conditions of patentability as it desires. On January 1, 1995, the United States joined the World Trade Organization by entering the Marrakesh Agreement Establishing the World Trade Organization, which through Article 11 § 2 binds all of its members to the Agreement on Trade- Related Aspects of Intellectual Property Rights (TRIPS). 1867 U.N.T.S. 154, 33 I.L.M. 1144 (Apr. 15, 1994). The Agreement on TRIPS contains several provisions regarding the enforcement of patents. Article 41 § 1 of the Agreement on TRIPS specifies that each country shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights. In addition, §4 states that parties to a proceeding shall have an opportunity for review by a judicial authority of final administrative decisions and, subject to jurisdictional provisions in a Member's law concerning the importance of a case, and §5 states it is understood that this Part does not ..affect the capacity of Members to enforce their law in general. See also *id.*, art. 41-49. Like the Paris Convention, nothing in the PCT or the Agreement on TRIPS contemplates or allows one jurisdiction to adjudicate patents of another. Canada, France, Germany and the United Kingdom, which are the foreign sovereigns concerned in this case, are parties to each of these treaties. See World Intellectual Property Organization, States Party to the PCT and the Paris Convention and Members of the World Trade Organization (2006) available at http://www.wipo.int/pct/en/texts/pdf/pct_paris_wto.pdf.

63. It is a noticeable fact that the grounds of mere expense and inconvenience have not been the grounds for the grant of anti-suit injunction. This is supported by the law laid down in para-26 of *Modi Entertainment Network's* judgment {supra} wherein it is held that :-Circumstances such as comparison of litigation expenses in England and in India or the hardship and incurring of heavy expenditure on taking the witnesses to the English Court, would be deemed to have been foreseen by the parties when they agreed to submit to the jurisdiction of the English Court in accordance with the principles of English law and the said reasons cannot be void grounds to interdict prosecution of the

action in the English Court of choice..... Therefore, the Hon'ble Supreme Court of India has clearly laid down that the inconvenience does not mean merely the inconvenience vis-a-vis expenditure and hardship but more additional grounds, which makes the proceedings in foreign court as oppressive and vexatious, must be present in order to enable this court to grant the anti suit injunction. Re. : FORUM-NON-CONVENIENS

64. This takes us to the discussion as to how it is inconvenience to the parties to go to the US court to contest the proceedings. It is a matter of fact that in the present case, the appellant No. 2 is from Belgium and has its subsidiary offices throughout the world including USA, who has also instituted the proceedings in USA. The respondent herein is from India and has its two companies in USA and Italy including, Vega Industries Inc. Ltd. a subsidiary of respondent and it is possible for them to contest the proceedings at US court, therefore, the inconvenience and hardship to the parties while contesting the present suit as well as to contest the proceedings in USA is not too much, which makes it impossible to continue with both the proceedings simultaneously.

65. The present case falls within the purview of observations made by Honble Supreme Court of India in Modis case (supra) as the subject matter, which is pending before this Court has no relation with the subject matter of the proceedings pending in the US Court and it relates to separate infringement caused in separate State. This Court even has already rejected the anti-suit injunction in the case titled as Moser Baer India Ltd. case (supra) wherein it is held that :- The plaintiff has been unable to show in the facts and circumstances of the present case and has not discharged this burden of establishing, even prima facie, that the Courts at the Hague, the Netherlands, is a forum non conveniens or that the proceedings therein are oppressive or vexatious. Consequently, on the principles laid down in Modi Entertainment Network (supra) for the grant of an anti-suit injunction, the plaintiff is not entitled to the order that it seeks..

66. We cannot accept the submissions of the respondent that the proceedings pending before USITC under Section 337 of US Trade Tariff Act are the summary proceedings in nature. As regards argument of the inconvenience on the part of the respondent is concerned, that has already been dealt with by us in the earlier paras of the judgment. We fail to understand how the respondent is doubtful that the respondent would not be given any opportunity, or for that matter fair opportunity, to put forward its defence as per law and procedure available. In fact it is pre-supposed on the part of the respondent that the proceedings pending before USITC are summary in nature and would be unfair to the respondents. CONCLUSION

67. Not only two causes appear to be different and ground of inconvenience to the respondent does not appear to be correct, it is also noticeable that since the patent law is territorial in nature, therefore, the infringement caused in different countries where the patents are registered and monopoly rights are granted, will lead to a separate cause of action and the mere fact that the appellants has brought one suit of civil nature before this Court for the violation of the patent rights in India will not lead to the conclusion that a party is debarred from filing any action restraining the misuse of the patent/monopoly rights, which are granted in the jurisdiction of some other court.

68. In view of the above said discussion and well settled law on the point, it emerges that no doubt Indian courts have power to grant the interim order in the anti suit injunction but each case is decided upon its own circumstances. In the present case, as we have already made clear that the two causes of action are different, the action filed by the Appellants before USITC is not an action for infringement of patent and a suit or a suit of civil nature but the same is before the USITC which is having a limited role to play pertaining to unfair practices in import trade and unlawful activities.

69. We may clarify that the main anti suit injunction as well as the application under Order 39 Rules 1 and 2 will be decided in accordance with law after completion of the respective pleadings of the parties expeditiously as per merit wherein the trial court may also embark upon the question of the validity of the patent granted in favour of Appellant No.2.

70. The appeal is thus allowed and the ex-parte injunction order dated 13th May, 2008 is vacated. The appellants are hereby allowed to proceed further with the complaint pending in the US. No costs.

Sd./-
MANMOHAN SINGH J.

Sd./-
A.K. SIKRI, J.

November 14, 2008