

**IN THE COMMERCIAL HIGH COURT OF THE WESTERN PROVINCE (EXERCISING
CIVIL JURISDICTION) HOLDEN IN COLOMBO**

In the matter of an application under
Sections 71(1)(b), 99 and 172 of the
Intellectual Property Act No. 36 of 2003

Dialog Axiata PLC,

No. 475, Union Place,

Colombo 2

Plaintiff

Case No: CHC/12/2013/IP

Vs.

1. Orleander International Limited,

PO Box 957, Offshore Incorporation
Center,

Road Town,

Tortola,

British Virgin Islands

2. Harold Prianne Anurath Wijetunge

121, Inner Flower Road,

Colombo 3

(Now deceased)

Defendants

Before : Hon. Pradeep Hettiarachchi, H.C.J

Decided on : 12.11.2024

Judgment

1. The Plaintiff has instituted the present action against the Defendants, seeking, inter alia, a declaration of non-infringement in accordance with Section 172 of the Intellectual Property Act, as well as a declaration of invalidity concerning Patent No. 14841 pursuant to Section 71(1)(b), in conjunction with Section 99, of the said Act. The Plaintiff additionally sought damages in a sum of Rs. 150,000,000/-
2. Plaintiff is a public limited liability company duly incorporated under the laws of Sri Lanka. It operates as a subsidiary of Axiata Group Berhad of Malaysia and is recognized as the largest mobile network operator in Sri Lanka, with an area coverage of 92%.
3. The 1st Defendant is an entity duly incorporated under the laws of the British Virgin Islands and holds the ownership of the Sri Lankan patent bearing number 14841.
4. The 2nd Defendant is the inventor of the Patent bearing number 14841. His invention has been recognized in the Presidential Awards in 2008 and has been presented in the International Exhibition of Inventions in Geneva in 2009. Additionally, he has obtained UK Patent No. GB2432031 from the Intellectual Property Office in the United Kingdom.

The Plaintiff's Case:

5. As per the Complaint, the Plaintiff launched a mobile money service known as "eZ cash" in June 2012, facilitating money transfers among different parties and enabling users to pay utility bills, make online or in store purchases, and conduct other numerous financial transactions.

6. The Plaintiff maintained that the transactions could be conducted via a mobile phone by establishing a connection with a bank account, alternatively with a credit/debit card which can be navigated through keypad inputs.
7. The service encompasses features that allow for the verification of the identity of parties to the transaction to guarantee the authenticity of the transaction, and to check the fund availability required for the transactions.
8. The Plaintiff stated that, similar to eZ Cash, the Plaintiff earlier had several mobile money services, specifically eZ Pay, which was launched in August 2007. This service allowed payments to be made through a bank account that the Plaintiff had linked to his mobile phone. Additionally, Plaintiff referred to eZ Card Pal, which was introduced in October 2010, which facilitated the linking of a mobile phone to a credit card.
9. The Plaintiffs submitted that their eZ Cash mobile money service functions as a mobile wallet, enabling users to execute various operations through commands and information entered through the keypad.
10. As per the Plaintiff, to access the eZ cash service, a person must register by either submitting an application at the relevant center or by entering the specified USSD code. Thereafter, a personal identification number (PIN) will be provided for the purpose of authenticating all transactions, with the option to change it as required.
11. Plaintiff contended that the eZ Cash service had been approved by the Central bank pursuant to the provisions of the Payment and Settlement Systems Act No. 28 of 2005, following the fulfillment of the requirements set forth in the Service Providers of Payment Cards Regulations No.01 of 2009.
12. Additionally, the Plaintiff has obtained a certificate of compliance from Control Case, a leading certification agency in Virginia, affirming compliance with internationally accepted standards for payment card security.

13. As per the Plaintiff, on or about 2006, the Defendant requested a meeting to demonstrate an idea for a mobile cash service, coordinated with the Head of Finance of the Plaintiff Company.
14. The suggested process involved purchasing a voucher by outlet for system of sending money. The Payment done at an outlet involves point of sale terminals (POS), and interactive voice response (IVR) system.
15. Nevertheless, it is the position of the Plaintiff that the 2nd Defendant was informed by the said Head of Finance, that they were not interested.
16. The Plaintiff claimed that in 2011, the 2nd Defendant requested another meeting to discuss a new mobile solution which involved the patent bearing No. 14841. In addition, the Plaintiff averred that the 2nd Defendant's plan featured an inward remittance system with the collaboration of overseas partners.
17. Plaintiff contended that they were interested in the inward remittance system, and not the mobile solution and explained that the discussions happened during the time eZ Cash was in the process of obtaining clearance from the Central Bank.
18. Plaintiff averred that thereafter, they turned down the proposal and rejected the 2nd Defendant's offer for the Plaintiff to purchase his patent, despite numerous attempts by the 2nd Defendant to reach an agreement.
19. As per the Plaintiff, on 21st September 2012, the 2nd Defendant sent a letter to the Plaintiff, alleging that the Plaintiff had infringed the 2nd Defendant's patent. The 2nd Defendant demanded that the Plaintiff cease all operations, promotions, and usage of the eZ Cash service, and indicated that legal action would be pursued in case if the Plaintiff did not provide a favourable response within 14 days. The Plaintiff subsequently sent a letter denying the allegations put forth by the 2nd Defendant.
20. Thereafter, the present action was filed against the Defendants, seeking inter alia for a declaration of non-infringement and a declaration of nullity of Patent bearing No. 14841.

21. On or about 11th of July 2013, the Defendants filed their Answer and Statement of Objection denying several averments made by the Plaintiff.

The Defendants' Case:

22. Few of the preliminary objections raised by the Defendants included, that the Plaintiff doesn't disclose any infringement of the right of the Plaintiff, imminent or otherwise by the 2nd Defendant, and the Defendant had only sent a letter marked X6 demanding the Plaintiff's compliance and informing that the 2nd Defendant might have to take legal action otherwise.

23. Moreover, the Defendants averred that the injunction prayed for by the Plaintiff is an anti-suit injunction against the 2nd Defendant.

24. The Defendants further objected to the permanent injunction sought by the Plaintiff, claiming that it is vague and does not clearly delineate the actions from which the 2nd Defendant is to be restrained. Moreover, it is argued that the sought permanent injunction would preclude the 2nd Defendant from seeking any relief from this Court in relation to the eZ Cash service.

25. The Defendants further raised objections as to the Plaintiff's purported suppression and/or misrepresentation of material facts and claimed that the Plaintiff is guilty of delays and laches.

26. As per the answer, on or about 12th February 2008, the 2nd Defendant filed a Patent application bearing No. 14841 to the National Intellectual Property of Sri Lanka for obtaining the Patent for the process of "Transfer of cash from one Mobile Phone User to another Phone User with Instant Access to the Withdrawal and Payout Cash".

27. The Patent was consequently granted on 20th November 2008 with effect from 12th February 2008 and was later assigned to the 1st Defendant on or about 27th April 2010.

28. The 2nd Defendant was granted the United Kingdom patent on or about 20th January 2010 and through Mobile Cash Transfer (UK) Ltd, a company founded by

the 2nd Defendant, licensed 3R Telecom Limited of the United Kingdom inter alia to exploit the said invention disclosed in the United Kingdom patent and the “MOBYLECASH” software platform.

29. 3R telecom limited commenced offering the service of allowing mobile phone users to transfer cash with a network of around 2000 radial points in the United Kingdom, which were offering cash vouchers required to activate the service.
30. The Defendant stated that in July 2011, Nimbus Venture who was authorized by the Defendants to promote MOBYLECASH made an independent presentation to the Plaintiff of a M-enterprise conceptualization based on the MOBYLECASH platform and the Patent 14841
31. Accordingly, as per the answer, discussions were initiated with the 2nd Defendant on or about August/September 2011 with regard to the mobile cash solution.
32. The Defendants maintained that in the course of the discussions, details relating to the MOBYLECAH platform including the patent bearing No. 14841 and information relating to improvements made to the said Patent, was revealed in confidence and in good faith.
33. The Defendant averred that negotiations were continued to form a joint venture to exploit the invention disclosed in patent 14841 in the alternative the plaintiff purchasing the patent 14841 together with the mobile cash software platform.
34. Defendants maintained that, notwithstanding the ongoing negotiations, the Plaintiff initiated the launch of EZ Cash on or around June 13, 2012, which led the 2nd Defendant to immediately contact the Plaintiff. Accordingly, the Plaintiff assured the 2nd Defendant their continued interest in collaborating with the Defendants and in the licensing or purchasing of patent 14841.
35. The Defendants stated that, following a meeting convened among the Plaintiff, the 2nd Defendant and Nations Trust Bank, the Plaintiff requested an invitation to offer from the 2nd Defendant regarding the Patent bearing No.14841.

36. The 2nd Defendant further averred that he was requested to make another proposal with regard to the consultancy services of the 2nd Defendant, which ultimately was not implemented.
37. Therefore, Defendants averred that the Plaintiff deliberately suppressed that discussions were carried out by Plaintiff with the 2nd Defendant during August or September 2011.
38. The Defendants argued that the eZ Cash mobile money service of the Plaintiff infringes Patent 14841 of the 1st Defendant mainly in relation to claim 2 and claim 3 of the Patent.
- a. the steps of dialing the USSD (Unstructured Supplementary Service Data) service by the subscriber, display of several options by the USSD service, user selecting "send money" option, user being prompted to enter his four numeric pin and the recipient receiving an SMS containing the details from the USSD in the eZ Cash mobile money service of the Plaintiff are infringing claim 1 of the Patent 14841 relating to dialing up a Remote Mobile Cash Payment Gateway containing relevant activation prompts, user inputting information through pressing the key pad of the mobile phone, entry of a 4 digit Transfer Security Pin to facilitate activation and sending a transaction reference number to the receivers mobile phone by short text message confirming transaction (SMS);
 - b. the steps of receiver/merchant dialing up the USSD and entering the cash amount to be withdrawn and entering 2 separate pin numbers to authenticate the withdrawal in the eZ cash mobile Plaintiff are infringing claim 3 – receiver dialing the Mobile cash Payment Gateway via EFTPOS/POS Terminal providing cash amount received (to be withdrawn), primary transaction code and transfer security pin to authenticate the payment.”
39. In the foregoing manner, the Defendants aver that the Plaintiff's eZ Cash mobile money service incorporates features of the "MOBYLECASH" platform, along with enhancements to Patent No. 14841 that were disclosed confidentially by the 2nd

Defendant during the negotiations and discussions with the Plaintiff from August/September 2011.

40. Accordingly, the Defendants contended that such conduct constituted an act of unfair competition contrary to honest practices in the trade within the meaning of Section 160 of the Intellectual Property Act No. 36 of 2003.

41. Furthermore, the Defendants averred that the damages claimed by the Plaintiff, in a sum of Rs. 150 million from the 2nd Defendant merely for the issuance of a letter of demand, are excessive and unreasonable.

42. The Defendant's prayed for 2 claims in reconvention. In the 1st claim in reconvention, the Defendants prayed for injunctive and substantive reliefs on the basis that the 2nd Defendant's patent rights under 14841 had been infringed by the Plaintiff. In the second claim in reconvention, the Defendants sought injunctive and substantive relief on the basis that the Plaintiff had engaged in unfair competition through the misappropriation of undisclosed information.

43. Subsequently, the Plaintiff filed a replication dated 01.11.2013, praying, *inter alia*, for the dismissal of the Defendants' claims in reconvention and for judgment to be entered in favor of the Plaintiff as sought in the Plaint.

44. The following facts were admitted by both parties.

1. The jurisdiction of Court to hear and determine the action;

2. The Plaintiff is a company duly incorporated under the laws of Sri Lanka;

3. The 1st Defendant is a company established under the laws of the British Virgin Islands and is the owner of Sri Lanka patent bearing serial number 14841.

4. The 2nd Defendant is the person named as the inventor in Patent 14841 and the initial grantee thereof.

5. The ez Cash service facilitates the transfer of money between users of mobile phones.
 6. The receipt only of the letter dated 21st September 2012.
 7. The receipt of the Plaintiff's letter dated 4th October 2012 by the 2nd Defendant.
 8. The receipt only of the letter Y1 dated 05th September 2001 and annexure
 9. The 2nd Defendant made an application bearing number GB 2432031 to the Intellectual Property Office of the United Kingdom on or about 21st July 2006 for a patent in respect of a process titled "process for cash transfer from one mobile to another with access to cash immediately"
 10. That the non-disclosure agreement Y6a was sent by the then Chief Corporate Officer of the Plaintiff, Mr. Thivanka Rangala to the 2nd Defendant and the email correspondence Y6b;
 11. That the application for Patent 14841 was made on 12th February 2008 and that it was granted on 20th November 2008;
 12. Patent bearing serial number GB2432031 has been granted by the UK Intellectual Property Office to the 2nd Defendant;
 13. The receipt only of emails Y14a and Y14b
45. At the Trial, the Plaintiff raised issue No. 1-58(b) while the Defendants raised issue No. 59(a)-105. Parties were at variance as to following issues:

1. Is the Plaintiff the largest mobile network operator in Sri Lanka and the market leader in the mobile telecommunications services industry?
2. Did the Plaintiff launch its mobile money service "eZ Cash" in June 2012?
3. Is the "mobile wallet" one of the important features of the Plaintiff's eZ Cash system?
4. Is the mobile wallet a digital simulation of an actual physical wallet for carrying money having the functionality described in paragraph 11 of the Plaintiff?
5. Does the method used in eZ Cash for the sending and receiving of money comprise the procedure set out in paragraph 26 of the Plaintiff?
6. Has the Plaintiff received approval by way of a license from the Central Bank of Sri Lanka to provide the eZ Cash service?
7. Did the Plaintiff apply to the Central Bank for its license to provide the eZ Cash service in 2009?
8. Has the Plaintiff's eZ Cash service been assessed and certified as complying with the internationally accepted payment card security standard PCI Data Security Standard?
9. Prior to eZ Cash, did the Plaintiff have two other mobile money services known as eZ Pay and eZ Card Pal developed by the Plaintiff and having the features described in paragraph 15 of the Plaintiff?
10. Were many of the components used in the eZ Cash system taken and/or, are derived from, the systems used for providing the eZ Pay and eZ Card Pal services?

11. Has Patent 14841 been obtained by the 2nd Defendant by falsely pretending to have developed a product/system built in accordance with the invention claimed in Patent 14841 when in fact there was no such product/system developed by the 2nd Defendant?
12. Had the 2nd Defendant, at the time of applying for Patent 14841, already obtained a patent in Australia for the same, or essentially the same invention as claimed in Patent 14841?
13. Has the 2nd Defendant obtained Patent 14841 by falsely declaring that he has not obtained a patent abroad for the same, or essentially the same invention as claimed in Patent 14841?
14. Was the invention claimed in Patent 14841 obvious to persons having ordinary skill in the art at the time of application thereof?
15. Is the invention claimed in Patent 14841 not inventive?
16. Was the invention claimed in Patent 14841 well known in the art at the time of filing of the application therefor?
17. Was the invention claimed in Patent 14841 anticipated by prior art?
18. Was the invention claimed in Patent 14841 not novel?
19. Has the patent bearing serial number 2006100721 been issued by the Intellectual Property Office of Australia in respect of the same, or essentially the same invention as that claimed in Patent 14841?
20. Is 21st September 2006 the publication date of the patent bearing serial number 2006100721 by the Intellectual Property Office of Australia?
21. Has the application for Patent 14841 been made more than one year after the publication date of patent bearing serial number 2006100721 by the Intellectual Property Office of Australia?

22. Was the 2nd Defendant disqualified under Section 64 of the Intellectual Property Act to make the application in Sri Lanka for Patent 14841?

23. Has the 2nd Defendant failed to disclose in his application for Patent 14841, the fact that he has applied for a patent abroad relating to the same, or essentially the same invention as that claimed in his application for Patent 14841?

24. Is an idea with only a conceptual existence without being transformed into a product or a process actually physically carried out or practically implemented, not an invention within the meaning of Section 62 of the Intellectual Property Act?

25. Was the invention claimed by Patent 14841 publicly disclosed more than one year prior to the filing date of its application as more fully pleaded in paragraph 41 of the Complaint?

26. Has the 2nd Defendant applied to the Intellectual Property Office of Australia (hereinafter referred to as "IP Australia") on 29th August 2005 for a patent in respect of the same, or essentially the same invention as claimed in Patent 14841?

27. Has the 2nd Defendant made a false declaration in his application for Patent 14841 that he has not obtained a patent abroad, before filing the said application, relevant to the same, or essentially the same invention as that claimed in the said application as required by Section 71(1)(a)(vii) of the Intellectual Property Act?

28. Does the disclosure/description of the specification of Patent 14841 not support an "encrypted" 9-digit Primary Transaction Code as claimed in Claim 1?

29. Is claim 1 of Patent 14841 not clear?

30. If Issues 28 and/or 29 are answered in the affirmative, is claim 1 of Patent 14841 null and void?

31. Does claim 2 of patent 14841 refer to and depend from claim 1?

32. If Issues 28 and/or 29 and/or 31 are answered in the affirmative, is claim 2 of patent 14841 null and void?

33. Does the disclosure/description of the specification of Patent 14841 not support the use of the "transaction reference received direct from the Gateway" in the pay out process as claimed in Claim 3?
34. If Issue 33 is answered in the affirmative, is Claim 3 of Patent 14841 null and void?
35. Does Claim 4 of patent 14841 refer to and depend from claims 1, 2 and 3?
36. If Issues 28 and/or 29 and/or 30 and/or 31 and/or 32 and/or 33 and/or 34 and/or 35 answered in the affirmative, is claim 4 of patent 14841 null and void?
37. If Issues 28 and/or 29 and/or 30 and/or 31 and/or 32 and/or 33 and/or 34 and/or 35 and/or 36 answered in the affirmative, is Patent 14841 null and void?
38. Does the method/process claimed and referred to in Patent 14841 for the sending and receiving of money consist of the steps enumerated in paragraph 25 of the Plaintiff?
39. Is the scope of Patent 14841 limited to a process/system consisting of the elements set out in its claims as set out in paragraph 25 of the Plaintiff?
40. Is the method of sending and receiving money using a mobile phone used by the Plaintiff in eZ Cash different from the process/system claimed in Patent 14841?
41. Does Patent 14841 not include in the scope of its claims the functionality of the mobile wallet?
42. Is the electronically generated Mobile Cash Transaction Card that features in the process claimed in Patent 14841, not a feature/element of the Plaintiffs eZ Cash system?
43. Is the functionality of the Mobile Cash Payment Gateway as described in Patent 14841 not a part or feature or element of the eZ Cash system/process?

44. Does the 2nd Defendant have not the right to assert any claim against the Plaintiff and/or to ask the Plaintiff to cease from operating, promoting and using the eZ Cash system based on Patent 14841?

45. Is the conduct of the 2nd Defendant wrongful, unlawful and malicious with intent to cause harm and injury to the business and reputation of the Plaintiff?

46. Is the Plaintiff entitled to claim as damages from the 2nd Defendant, a sum of Rs. 150 million?

47. Did the discussion between the 2nd Defendant and the Plaintiff of the process as referred to in Patent 14841 constitute a public disclosure disentitling the 2nd Defendant to a patent for the said process under Section 64 of the Intellectual Property Act?

48. Has the 2nd Defendant assigned to HW Projects (Lanka) Limited, the rights claimed in and to the "Mobile Cash" technology?

49. Has the 2nd Defendant thereby totally alienated his rights in and to the said technology?

50. Did the 2nd Defendant, by assigning his rights in and to the "Mobile Cash" technology become disentitled to assert any claims in respect of the said technology?

51. Did the 2nd Defendant, by assigning the rights claimed in and to the "Mobile Cash" technology become disentitled to apply for Patent 14841?

52. Was the purpose of the Plaintiff's discussions with the 2nd Defendant and the presentations of the 2nd Defendant only to consider the possibility of establishing an inward remittance network as morefully described in paragraph 43(c) of the replication?

53. Have the Defendants suppressed to Court that the 2nd Defendant has made an application for a patent in respect of the same or essentially the same invention under the Patent Cooperation Treaty (PCT)?

54. Has the application made by the 2nd Defendant for a patent in respect of the same or essentially the same invention under the Patent Cooperation Treaty (PCT) been found, pursuant to an international search conducted by the examiner, as not being novel or involving an inventive step citing the publication of patent 2006100721 the publication date of which has been treated as the 21st September 2006?

55. Does the failure on the part of the Defendants to disclose in the Answer the PCT patent application in respect of the same or essentially the same process as that claimed in Patent 14841 constitute a serious suppression of material facts?

56. Is the process referred to in Patent 14841 in effect a business method which is not patentable under Section 62(3) of the Intellectual Property Act No. 36 of 2003?

57. Has the 2nd Defendant not had a system or product actually developed in accordance with the invention claimed in UK patent GB 2432021 and Australia patent 2006100721 at the time of filing applications therefor?

58. If any one or more of the above Issues are answered in favour of the Plaintiff,

a. Is the Plaintiff entitled to the relief prayed for the in the Plaint?

b. Are the 1st and 2nd Defendants disentitled to the reliefs prayed for in the Claim in Reconvension?

59.

a. Does the Plaint disclose any infringement of a right of the Plaintiff by the 2nd Defendant?

b. Is the only act of the Defendants that the Plaintiff complains of is the letter of the 2nd Defendant marked X6 informing the Plaintiff that the 2nd Defendant would be "*compelled to seek legal redress*" if a favourable response is not received?

c. Is the injunction prayed for by the Plaintiff an 'anti-suit injunction' against the 2nd Defendant from instituting action against the Plaintiff?

d. Is the permanent injunction prayed for in the Plaint unenforceable as morefully pleaded in paragraph 2(d) of the Answer?

60.

Has the Plaintiff deliberately misrepresented to Your Honour's Court that only a single meeting had taken place between the Plaintiff and the 2nd Defendant back in 2006?

b. the Plaintiff has deliberately suppressed from Your Honour's Court that

i. the Plaintiff was in constant negotiation with the 2nd Defendant to launch a mobile cash platform based on the Patent No. 14841 from August/September 2011 to August 2012.

ii. the correspondence and documents marked as Y12 to Y16?

iii. the fact that the 2nd Defendant provided a copy of the Patent 14841 to the Plaintiff as far back as September 2011?

c. Has the Plaintiff deliberately misrepresented to Your Honour's Court that the patented process of the Defendants is only an idea with a conceptualized existence and that the Defendants have no system that works in accordance of the method claimed by the Defendants?

d. If any one or more of the above issues are answered in favour of the Defendants, is the Plaintiff guilty of suppression and/or misrepresentation of material facts?

e. If the above issue is answered in the affirmative, is the Plaintiff not entitled to any equitable remedy including the permanent injunction from Your Honour's Court?

61. Is the Plaintiff guilty of delay and/or laches as morefully pleaded in paragraph 3(b) of the Answer?

62. Was using mobile phone technology for the transfer of funds, not envisaged in or about 2006?

63.

- a. Did the 2nd Defendant make a provisional application bearing No. 2005904688 for the grant of an 'Innovation Patent' in respect of the "process for cash transfer from one mobile to another with access to cash instantly" to the Intellectual Property Office in Australia, IP Australia?
- b. Did the 2nd Defendant thereafter duly make an application bearing No. 2006100721 to IP Australia for the grant of an 'Innovation Patent' in respect thereof?
- c. Was the 2nd Defendant granted the said Innovation Patent bearing No. 2006100721 by IP Australia on or about 24th August 2006?
- d. Was the said Innovation Patent not examined and/or certified at any time?

64.

- a. Do only the name of the Inventor, Innovation Patent Number, date of Application and the title of the innovation are published in the Australian Official Journal of Patents in respect of Innovation Patents?
- b. Is the full patent specification not published in the Australian Official Journal of Patents in respect of Innovation Patents?
- c. Is the full specification of the Innovation Patent 2006100721 available for public inspection after 18 months from the date of application?
- d. Was the full specification of the Innovation Patent 2006100721 published in the AUSPAT website only in 2010?
- e. Was the 2nd Defendant not informed of any inspection of the said Innovation Patent by any member of public by IP Australia prior to 2010?
- f. If any one or more of the above issues are answered in the Defendants' favour, was the said Innovation Patent 2006100721 of the 2nd Defendant not disclosed to the public anywhere in the world prior to the application of the 2nd Defendant for the grant of Patent 14841?

65.

a. Is the innovation Patent 2006100721 under the Australian Patent Act of 1990 granted on the basis that the said innovation contains an innovative step' rather than satisfying the requirement of an inventive step' for the grant of a Patent under the Intellectual Property Act No. 36 of 2003?

b. Is the innovation Patent 2006100721 only valid for a period of 8 years as against the 20-year validity of a Patent under the Intellectual Property Act No. 36 of 2003?

c. Can the Innovation Patent 2006100721 not be enforced against third parties until examined and certified as against the exclusive rights of Patent holders under the Intellectual Property Act No. 36 of 2003?

d. Can the claims of the Innovation Patent be amended until the said innovation Patent is examined and certified unlike the claims of a Patent under the Intellectual Property Act No. 36 of 2003 which cannot be amended post grant?

e. If any one or more of the above issues are answered in favour of the Defendants, is the Innovation Patent bearing No. 2006100721 of the 2nd Defendant not a 'Patent' under the Intellectual Property Act No. 36 of 2003?

66. Did the 2nd Defendant commission RISCOR Consultants (Pvt) Ltd. to develop "MOBYLECASH" software to exploit "the process for cash for from the mobile to another with access to cash instantly on of about 18th March 2006?

67. Did the 2nd Defendant on or about 21st July 2006 make an application bearing No. GB 24320231 to the Intellectual Property Office of the United Kingdom for the grant of a Patent in respect of "process for cash transfer from one mobile to another with access to cash instantly"?

68.

a. Did the 2nd Defendant in or about 2006 enter into several confidential negotiations with third parties including Epay Sri Lanka (Pvt) Ltd, Bank of Ceylon, Sampath Bank and Vodafone, Australia to explore the possibility of exploiting the "process for cash transfer from one mobile to another with access to cash instantly"?

h. Did the 2nd Defendant enter into detailed negotiations only upon the execution of requisite non-disclosure agreements in view of the fact that the 2nd Defendant had not obtained enforceable protection?

69.

a. Did the 2nd Defendant enter into negotiations with the Plaintiff to implement the "process for cash transfer from one mobile to another with access to cash instantly in Sri Lanka in or about 2006 pursuant to a meeting held between the officials of the Plaintiff including with Mr. Thivanka Ranagala, the then Chief Operating Officer of the Plaintiff?

b. Did the Plaintiff forward a draft Non-disclosure Agreement to the 2nd Defendant?

c. Did the 2nd Defendant not proceed with the negotiations due to the reluctance of the Plaintiff to amend the non-disclosure agreement as required?

70.

a. Did the Plaintiff go on to launch EzPay service, based on the discussions Plaintiff had with the 2nd Defendant in 2006?

b. Were the features including ability to facilitate foreign remittances, ease of use and implementation, wider inclusivity and reach not available in the EzPay solution of the Plaintiff?

c. Is the said EzPay service now discontinued?

d. Was the said EzPay service commercially unsuccessful?

71.

- a. Was the 2nd Defendant the majority shareholder of HW Projects (Lanka) Limited?
- b. Did the said HW Projects (Lanka) Limited enter into an Agreement of Undertaking with the Bank of Ceylon in December 2007 granting the Bank of Ceylon a Master License for the operation of Mobile Cash Network and Mobile Cash proprietary Software in Sri Lanka?
- c. Did Sampath Bank issue a Letter of Intent dated 3rd September 2007 to the 2nd Defendant that the Sampath Bank is favourably considering the processing of the inward remittances?
- d. Did the 2nd Defendant not have the financial capacity to set up networks in the target markets to implement the Mobile Cash Network despite entering into the aforesaid agreement with the Bank of Ceylon and receiving the Letter of Intent from Sampath Bank?

72.

- a. Did the 2nd Defendant on or about 12th February 2008 make an application bearing No. 14841 to the National Intellectual Property Office of Sri Lanka for the grant of Patent entitled "Transfer of Cash from one Mobile Phone User to another Mobile Phone User with Instant Access to the Withdrawal and Pay out of Cash"?
- b. Was the 2nd Defendant was not obliged to disclose the Innovation Patent bearing No. 2006100721 under Section 71(1)(a)(vii) of the Intellectual Property Act No. 36 of 2003?
- c. Was the 2nd Defendant granted the Patent 14841 by the Director General of Intellectual Property on or about 20th November 2008 with effect from 12th February 2008?
- d. Did the 2nd Defendant assign the said Patent bearing No. 14841 to the 1st Defendant on or about 27th April 2010?

73. Was the invention of the 2nd Defendant awarded the Certificates and Medals morefully pleaded in paragraph 15 of the Answer?

74. Was the 2nd Defendant granted the United Kingdom Patent bearing No. GB 2432031 by the Intellectual Property Office, United Kingdom on or about 20th January 2010 after extensive and thorough examination?

75.

a. Is Mobile Cash Transfer (UK) Ltd., a company founded by the 2nd Defendant?

b. Did the 2nd Defendant through Mobile Cash Transfer (UK) Ltd. license 3R Telecom Limited of the United Kingdom inter alia to exploit the said invention disclosed in the United Kingdom Patent bearing No. GB 2432031 and the 'MOBYLECASH' software platform?

c. Did said Telecom Limited commence offering the service of allowing mobile phone users to transfer cash with a network of around 2000 retail points in the United Kingdom which were offering cash vouchers required to activate the service?

d. Did the 3R Telecom Limited and Bank of Ceylon enter into a Remittance Service Agreement with the facilitation of the 2nd Defendant in June 2010?

e. Did fund transfers to Sri Lanka from the users of the cash transfer service offered by said 3R Telecom Limited and Bank of Ceylon using the said patented technology and 'MOBYLECASH' software commence in or about July 2011?

76. Did the Nations Trust Bank also enter into an arrangement with the 2nd Defendant to facilitate the inward remittances on the 'MOBYLECASH' platform and enter into an Agreement in respect thereof with 3R Telecom Limited?

77.

a. Was Nimbus Venture authorized by the Defendants to promote MOBYLECASH?

b. Did Nimbus Venture make an independent presentation in July 2011 to the Plaintiff of a mEnterprise conceptualization based on the 'MOBYLECASH'?

platform of the Defendants and the Patent 14841, GB Patent 2432031 and the Innovation Patent 2006100721?

78.

a. Did the Plaintiff initiate discussions with the 2nd Defendant inter-alia with regard to the 'MOBYLECASH' solution in or about August/September 2011?

b. Did the 2nd Defendant have several discussions in August/September 2011 with officers of the Plaintiff led by Fariq Cader, Senior General Manager, New Business Development and Mobile Commerce of the Plaintiff?

c. Did the 2nd Defendant in confidence and in good faith disclose the details relating to the 'MOBYLECASH' software platform developed by the Defendants, the Patent 14841 and confidential information relating to improvements made to the invention disclosed in Patent 14841 during the said discussions with the Plaintiff?

79.

a. Did the officials of the Plaintiff, take a keen interest in the 'MOBYLECASH' software platform developed by the Defendants, the Patent 14841 and confidential information relating to improvements made to the invention disclosed in Patent 14841 such as the mobile wallet during the negotiations with the 2nd Defendant?

b. Were the Plaintiff and the Defendant having regular discussions and meetings towards the launching a solution based on the "MOBYLECASH" platform?

c. Did the 2nd Defendant, in good faith and relying on the representations of the Plaintiff that the Plaintiff was genuinely interested in launching a solution based on the "MOBYLECASH" platform, make a number of presentations providing the Plaintiff with undisclosed information of the Defendants including insight to the said "MOBYLECASH" platform and improvements made to the invention disclosed in Patent 14841?

80.

a. Had the Defendants successfully carried out cash transfers based on the Patented invention 14841 and the 'MOBYLECASH' platform prior to the Plaintiff re-establishing negotiations with the 2nd Defendant in August/September 2011?

b. Was the said successful implementation by the Defendants and the 'MOBYLECASH' Software platform disclosed to the Plaintiff during the several discussions and negotiations between the Plaintiff and the 2nd Defendant as aforesaid?

81. Was a copy of the Patent bearing No. 14841 made available to the Plaintiffs by the 2nd Defendant by email dated 5th September 2011?

82. Did the negotiations between the Plaintiff and the 2nd Defendant, based on the above initial discussions continued as morefully pleaded in paragraph 20 of the Answer?

83.

a. Did the Plaintiff launch 'eZ Cash' mobile money service on or around 13th June 2012 whilst the aforesaid negotiations were continuing between the Plaintiff and the 2nd Defendant?

b. Was the 2nd Defendant called for a discussion with Hans Wijayasuriya Chief Executive Officer, Supun Weerasinghe, Chief Operating Officer and Fariq Cader Senior General Manager, New Business Development and Mobile Commerce of the Plaintiff in early July 2012?

c. Was the 2nd Defendant assured that the Plaintiff was still interested in working with the Defendants and licensing/purchasing the Patent 14841?

d. Did the Plaintiff want to have a meeting with Nations Trust Bank regarding the proposed inward remittances of the 'MOBYLECASH' network through the Nations Trust Bank to the Dialog users?

e. Did the meeting between the Plaintiff, the 2nd Defendant and the Nation Trust Bank take place on August 2012?

84.

a. Was the 2nd Defendant requested by the Plaintiff to indicate a price at which the Defendants were willing to assign the Patent 14841 pursuant to the aforesaid meeting with the Nations Trust Bank ?

b. Did the 2nd Defendant on 17 August 2012 handover an invitation to offer to Fariq Cader of the Plaintiff?

c. Was the 2nd Defendant requested to make a further proposal with regard to the consultancy services of the 2nd Defendant?

d. Was the 2nd Defendant informed by Fariq Cader that he no longer has authority to negotiate with the 2nd Defendant when the 2nd Defendant met with Fariq Cader to discuss the terms of reference of such further proposal?

85. Did the 2 Defendant in the aforesaid circumstances send a letter dated 21st September 2012 as morefully pleaded in paragraph 27 of Answer?

86.

a. Does the step of dialing the USSD (Unstructured Supplementary Service Data) service by the subscriber in the eZ Cash mobile money service of the Plaintiff infringe claim 1 of the Patent 14841 relating to dialing up a Remote Mobile Cash Payment Gateway containing relevant activation prompts?

b. Does the step of display of several options by the USSD service in the eZ Cash mobile money service of the Plaintiff infringe claim 1 of the Patent 14841 relating to a Remote Mobile Cash Payment Gateway containing relevant activation prompts?

c. Do the steps of user selecting "send money" option and user being prompted to enter his four numeric pin in the ez Cash mobile money service of the Plaintiff infringe claim 1 of the Patent 14841 relating to user inputting information through pressing the key pad of the mobile phone and entry of a 4 digit Transfer Security Pin to facilitate activation?

d. Does the step of the recipient receiving an SMS containing the details from the USSD in the eZ Cash mobile money service of the Plaintiff infringe claim 1 of the Patent 14841 relating to sending a transaction reference number to the receivers' mobile phone by short text message confirming transaction (SMS)?

e. Do the steps of receiver/merchant dialing up the USSD and entering the cash amount to be withdrawn and entering two separate pin numbers to authenticate the withdrawal in the eZ Cash mobile money service of the Plaintiff infringe claim 3 of the Patent 14841 relating to receiver dialing the Mobile Cash Payment Gateway in EPTPOS/POS Terminal, providing cash amount received (to the withdrawn), Primary Transaction Code and Transfer Security Pin to authenticate the payment?

f. If the above issues of any one of them are answered in favour of the Defendants, does the eZ Cash mobile money service of the Plaintiff infringe the Patent 14841 of the 1st Defendant?

87.

a. Does the eZ Cash mobile money service of the Plaintiff

i. incorporate features of the 'MOBYLECASH' platform disclosed in confidence during the several negotiations and discussions held with the Plaintiff from August/September 2011?

ii. incorporate improvements to 14841 disclosed in confidence by the 2nd Defendant during the several negotiations and discussions held with the Plaintiff from August/September 2011?

b. Is misappropriation of the Intellectual Property of the Defendants by the Plaintiff including undisclosed information of the Defendants as aforesaid mala fide, wrongful, unlawful?

c. Does the misappropriation of the Intellectual Property of the Defendants by the Plaintiff constitute an act of unfair competition contrary to honest practices in the

trade within the meaning of Section 160 of the Intellectual Property Act No. 36 of 2003?

88.

a. Was mobile wallet an improvement made by the 2nd Defendant to the invention disclosed in Patent 14841?

b. Was said mobile wallet feature disclosed by the 2nd Defendant to the Plaintiff in confidence as an improvement to Patent 14841 during the several negotiations and discussions held with the Plaintiff from August/September 2011?

c. Does the 2nd Defendant have Patent applications pending both in the United Kingdom and Sri Lanka in respect of the invention entitled "*The process for storing cash to the credit of users mobile phone number, Ability to transfer cash to another mobile user, maintain balance, make payments and link to bank accounts*" bearing United Kingdom Patent Application No. 1210490 and Sri Lanka Patent Application No. 17174, with the Sri Lankan Patent Application claiming priority from the aforesaid United Kingdom Patent Application?

d. Has the Plaintiff wrongfully, unlawfully and acting contrary to the honest practices incorporated the mobile wallet feature disclosed in confidence by the 2nd Defendant as aforesaid in the eZ Cash mobile money service of the Plaintiff?

89.

a. Is the Plaintiff a multinational company with substantial financial strength?

b.

i. Is the 2nd Defendant a Sri Lankan born inventor with very limited financial resources?

ii. Was the Plaintiff was at all times material aware that the 2nd Defendant had limited financial resources?

c. Was the Plaintiff at all material times aware that the 1st Defendant is a Company incorporated by the 2nd Defendant for the purpose of exploiting the aforesaid MOBYLECASH invention?

d. Is the Plaintiff using the its financial strength to stifle the Defendants and ensure that the Defendants have no recourse against the Plaintiff by,

i. suppressing and misrepresenting material facts relating to the negotiations the Plaintiff had with the 2nd Defendant since August/ September 2011 to license and/or purchase the patent 14841 and mobile cash software?

ii. seeking an injunction that is very widely couched to prevent the 2nd Defendant from seeking inter alia legal redress?

iii. seeking exorbitant damages in a sum of Rs.150 million from the 2nd Defendant for mere sending of a letter of demand, with the intention that such exorbitant claim would deter the 2nd Defendant from defending this action?

90.

a. Does the patent bearing No.14841 disclose a secure and reliable method of transferring funds from one mobile phone user to another to be collected from convenient access points?

b. Do the differences between the invention disclosed in the said patent bearing No.14841 and the 'ez Cash Service' constitute only colourable differences by the addition of features thereto and/or substituting features thereof and/or through heavy customization?

c. Do such colourable differences not relate to the core invention disclosed by the said patent bearing No. 14841?

91.

a. Does the prior art not anticipate the invention disclosed in Patent 14841 entitled "Transfer of Cash from one Mobile Phone User to another Mobile Phone User with Instant Access to the Withdrawal and Pay out of Cash?"

- b. Is the said invention not obvious to a person having ordinary skill in the art?
- c. Does the fact that the Plaintiff was experimenting with the unsuccessful processes such as 'eZ Card Pal' and 'eZ pay', at the time of the 2nd Defendant making the application for the registration of the said Patent bearing No. 14841 by itself demonstrate that the invention disclosed in the said patent bearing No. 14841 was neither anticipated by prior art nor is obvious to any person having ordinary skill in the art as at the date of application thereof?

92.

- a. Has the Plaintiff not acted on the letter dated 21st September the 2nd Defendant marked X6?
- b. If the above issue is answered in favour of the Defendants has no loss or damage whatsoever been caused to the Plaintiff due to the said letter of demand of the 2nd Defendant?
- c. Is the Plaintiff seeking exorbitant damages in a sum of Rs. 150 million from the 2nd Defendant for mere sending of a letter of demand, with the intention that such exorbitant claim would deter the 2nd Defendant from defending this action?

93.

- a. Is the 1st Defendant the registered owner of the Patent 14841 entitled "*Transfer of Cash from one Mobile Phone User to another Mobile Phone User with Instant Access to the Withdrawal and Pay out of Cash*"?
- b. Is the 1st Defendant entitled to all rights and privileges granted to it as a registered owner of a Patent under the provisions of the Intellectual Property Act No. 36 of 2003?

94. Are third parties precluded from exploiting the said patented invention of the 1st Defendant bearing No. 14841 without the consent of the 1st Defendant Company in terms of Section 84(2) of the Intellectual Property Act No. 36 of 2003?

95. Does the ez Cash mobile money service of the Plaintiff infringe the Patent 14841 of the 1st Defendant as morefully pleaded in paragraph 55 of the Answer?

96. Is the Plaintiff having 800,000 subscribers using the infringing 'eZ Cash mobile money service of the Plaintiff?

97.

a. Has the said blatant infringement of the Patent bearing No. 14841 of the 1st Defendant severely affected the continuity of the existing business of the Defendants?

b. Has the said blatant infringement of the Patent bearing No. 14841 of the 1st Defendants affected the negotiations and the bargaining position of the Defendants to introduce MOBYLECASH solution though other mobile telephone in Sri Lanka?

98. Has the 1st Defendant suffered the damages morefully pleaded in paragraph 58 of the Answer said infringing acts of the Plaintiff?

99. Did the 2nd Defendant in good faith and relying on the representations of the Plaintiff that the Plaintiff was genuinely interested in launching a solution based on the 'MOBYLECASH' platform, make a number of presentations providing the Plaintiff with undisclosed information of the Defendants during the several negotiations and discussions held with the Plaintiff from August/September 2011?

100. Did the Plaintiff wrongfully, unlawfully and acting contrary to honest practices launch a competing mobile money service named eZ Cash, whilst continuing the negotiations and discussions with the 2nd Defendant as aforesaid?

101. Does the eZ Cash mobile money service of the Plaintiff incorporate features of the 'MOBYLECASH' platform and improvements made to the Patent 14841 including the mobile wallet feature disclosed in confidence by the 2nd Defendant?

102. Does the misappropriation of the Intellectual Property of the Defendants by the Plaintiff including undisclosed information of the Defendants constitute an act

of unfair competition contrary to honest practices in the trade within the meaning of Section 160 of the Intellectual Property Act No. 36 of 2003?

103. Has the aforesaid blatant acts of unfair competition of the Plaintiff severely affected the continuity of the existing business of the Defendants and further affected the negotiations and the bargaining position of the Defendants to introduce MOBYLECASH solution through other mobile telephone operators in Sri Lanka?

104. Have the Defendants suffered loss and damage as morefully pleaded in paragraph 68 of the Answer by the said acts of unfair competition?

105. If the above issues or any one or more of them are answered in favour of the Defendants, are the Defendants entitled for the relief prayed for in the Answer?

46. On behalf of the Plaintiff, Fariq Cader, Senior General Manager-Mobile Money and Payments testified. Additionally, the Plaintiff called a representative of the Central Bank of Sri Lanka as a witness. Plaintiff consequently closed their case, by reading in evidence documents marked P1-P25.

47. The Defendants led the evidence of the 2nd Defendant, Harold Prianne Anurath Wijethunga, who was the inventor of the Patent bearing No. 14841.

48. The 2nd Defendant passed away subsequent to the conclusion of his evidence. An Order was obtained from the Court under Section 396 of the Civil Procedure Code to proceed only against the 1st Defendant.

49. The Plaintiff informed the Court that it would not pursue relief under prayer “vi” of the Plaint with respect to damages against the 2nd Defendant.

50. At the conclusion of the trial, the Court directed both parties to file their written submissions.

51. It is evident that the Plaintiff is primarily seeking a declaration of non-infringement and a declaration of nullity of the Patent bearing No.14841.

Should Patent Bearing No. 14841 Be Rendered Null and Void?

52. First, I find it appropriate to determine whether the Defendant's Patent bearing No.14841 must be declared null and void in terms of Section 71(1)(b) and Section 99(1) of the Intellectual Property Act.
53. The Plaintiff submitted that, within item XII at page 4 of the Patent application, the 2nd Defendant intentionally withheld information regarding his applications for patents overseas, relating to the same.
54. Moreover, under the item XIII at page 4 of the declaration of the Patent application, the 2nd Defendant has given a false declaration that the 2nd Defendant has not obtained a patent abroad before filing application No.14841.
55. Throughout the application process, the 2nd Defendant has, not once but on two occasions, suggested that he has no prior patent filings for the same invention. Consequently, the NIPO has granted the Patent, recognizing the innovation's novelty, which seems to have been partially influenced by the 2nd Defendant's representation in the above manner.
56. At the time the Patent application was submitted, only the Australian Innovation Patent had been issued. The Defendants argued that the granted Australian Innovation Patent did not constitute a Patent as defined under the Intellectual Property Act No. 36 of 2003, and therefore bears no relevance to item XIII on page 4 of the Patent application declaration.
57. The Defendants averred that the registration of innovation patent required a lower threshold of an innovative step rather than an inventive step as required in standard patent, allowing the innovator to protect each stage of development before the research was finished reducing the associated financial and commercial risk.
58. The Defendants further averred that such innovation patents were granted within one month filing the complete application and did not entail an examination of the

Patent application until such time the innovator requested to have the innovation patent examined and certified.

59. Moreover the 2nd Defendant pointed out that such innovation patents were valid only for eight years and couldn't be enforced against third parties until examined and certified.

60. Despite the Defendants' attempt to distinguish the innovation patent from a conventional patent in Sri Lanka, it must be noted that the innovation patent is still a class of patents granted by some countries, with a lower threshold for patentability and a shorter term of protection.

61. Hence, I cannot concur with the Defendants' position that the Innovation Patent No. 2006100721 is not a "Patent" under the Intellectual Property Act No. 36 of 2003.

62. Consequently, I find that the 2nd Defendant cannot overlook the requirement to disclose all previously granted overseas patents related to the same invention when submitting Patent Application No. 14841.

63. Therefore, it is my considered opinion that the 2nd Defendant was obliged to make a true disclosure as required by section 71 (1) (A) (vii) of the IPA, which he had failed to comply with.

64. The Plaintiff claimed that Patent 14841, involved common ICT techniques and asserted that the 2nd Defendant did not have any actual system or proof of implementation. Accordingly, Plaintiff averred that, an idea or a mere conceptual existence which was not developed into a tangible product or process, was not eligible for patent protection under Section 62(1) of the IPA.

65. Section 62 (1) of the IPA is reproduced herein below:

“For the purposes of this Part, “invention” means an idea of an inventor which permits in practice the solution to a specific problem in the field of technology.”

66. The Defendants denied the Plaintiff's claim that the process patented in the Patent bearing No.14841 was a mere concept, and attached several agreements entered

into by the 1st Defendant with several 3rd parties, with the aim of implementing a mobile money service.

67. The document marked D15 was presented by the Defendants to support their statement that the 2nd Defendant commissioned RISCOR Consultants (Pvt) Ltd, to develop the “MOBYLECASH” software.

68. Nevertheless, it should be noted that the said agreement is a development agreement which consists of 3 pages. The agreement specifically refers to several other documents within clause 1 and 3 that would be drafted in the process of implementation. Nevertheless, in the absence of those documents, it is difficult rather impossible to determine that an implementation of the process under Patent 14841 is in fact practically viable.

69. Moreover, the 2nd Defendant submitted that they were already having the patented process implemented through the Bank of Ceylon and 3 R telecom Limited UK and that the Plaintiff was informed of the existing platform by the 2nd Defendant during the negotiations held in 2011 or 2012. The 2nd Defendant further submitted that he entered into an agreement with the Bank of Ceylon to grant BOC a Master License for the operation of the software in 2007 and a letter of intent was issued by Sampath Bank to the 2nd Defendant.

70. It is my considered view, that the mere existence of an agreement with an intention to implement the patented process, does not sufficiently substantiate the Defendants' argument that the said Patented process is feasible as opposed to being a mere concept.

71. Thus, I find, that in order to establish that the process is not a mere idea or a concept, the Defendant must demonstrate, through evidence of a completed implementation and corresponding results. Documents merely outlining the Defendants' intent to develop the Patented system do not, in my opinion, sufficiently counter the Plaintiff's argument.

72. Furthermore, the Plaintiff contended that Patent No. 14841 failed to meet the three criteria for patentability as outlined in Sections 63, 64, and 65 of the IPA.

73. The Section 63 of the Intellectual Property Act No.36 of 2003 is reproduced hereinbelow:

Section 63-

An invention is patentable if it is new, involves an inventive step and is industrially applicable.

74. Accordingly, in light of the aforementioned provision, it is imperative to ascertain whether the three key prerequisites of novelty, inventive step, and industrial applicability are adequately satisfied in Patent No. 14841.

75. Hence, I must next advert whether the novelty requirement is fulfilled by the Patent No.14841 in terms of Section 64 of the IPA.

76. Section 64 of the IPA is reproduced herein below:

Section 64-

(1) An invention is new if it is not anticipated by prior art.

(2) Prior art shall consist of—

(a) everything disclosed to the public, anywhere in the world, by written publication, oral disclosure, use or in any other way, prior to the filing or, where appropriate, priority date of the patent application claiming the invention;

(b) the contents of patent application made in Sri Lanka having an earlier filing or, where appropriate, priority date than the patent application referred to in paragraph (a), to extent that such contents are included in the patent granted on the basis of the said patent application made in Sri Lanka.

(3) A disclosure made under paragraph (a) of subsection (2) shall be disregarded—

(a) if such disclosure occurred within one year preceding the date of the patent application and if such disclosure or in consequence of acts committed by the applicant or his predecessor in title ;

(b) if such disclosure occurred within six months preceding the date of the patent application and if such disclosure was by reason or in consequence of any abuse of the rights of the applicant or his predecessor in title.

77. The law requires that a patented invention to be new, meaning it cannot be part of the existing state of the art. Specifically, the invention must not be available in any form before the priority date. The key question that must be answered is whether the same invention has already been made public. If so, it would reflect a lack of novelty.

78. As per the aforementioned Section 64(2) of the IPA, the standard of novelty required would be in comparison to the public disclosures made anywhere in the world, particularly known as the universal novelty.

79. In the present matter, it is the Plaintiff's position that the Defendant's Patent bearing No.14841 has been publicly disclosed through the Plaintiff's own applications.

80. It is pertinent to note that Section 64(3)(a) of the IPA, provides several exceptions in relation to public disclosure made within one year prior to the date of filing the patent application, which have been in consequence of acts committed by the applicant.

81. Nevertheless, the 2nd Defendant has previously filed an innovation patent application in Australia and a patent application in UK significantly earlier than the designated grace period.

82. The 2nd Defendant has filed the patent application bearing No. 14841 in Sri Lanka on 12.02.2008. Meanwhile, the Australian innovation patent application was filed by the 2nd Defendant on 31.08.2005, more than two years prior to filing the Patent application No.14841 in Sri Lanka.

83. Similarly, the UK Patent application has been filed on 21.07.2006 similarly over 1 years before the date of filing of the Patent No.14841.

84. The 2nd Defendant maintained that the innovation patent did not, under any circumstances, constitute prior art for Patent 14841.

85. The 2nd Defendant asserted that, although the innovation patent was granted on or about 24th August 2006 and subsequently published in the Patent journal, the Australian Official Journal of Patents only disclosed the name of the Inventor, the Innovation Patent Number, the date of Application, and the title of the Innovation, without providing the complete Patent specification.
86. The Defendants contended that the entire specification of Innovation Patent 2006100721 was published on the AUSPAT website only in 2010 and that no third party had examined the said Innovation Patent from IP Australia before that time.
87. The 2nd Defendant has provided a true copy of an email dated 10th July 2013, sent by Amanda Weaver of IP Australia, to support the above view that the specification of the Innovation Patent 2006100721 became available on the AUSPAT website only in December 2010 and that no third party submitted any requests for inspection of the aforementioned Innovation Patent.
88. Accordingly, it is argued that the Innovation Patent 2006100721 had not been subject to public disclosure until the granting of Patent No. 14841.
89. It is important to highlight that the correspondence authored by Amanda Weaver was subsequently withdrawn following objections presented on behalf of the Plaintiff.
90. It is essential to recognize that a basic communication from an IP Australia official stating that no one reviewed an invention after it was opened for public inspection, does not effectively establish the absence of public disclosure.
91. The above position is confirmed within the context of Australian Law. Under Section 55(3)(1) of the Australian Patents Act it is explicitly stated that the date of publication is deemed to be the date when the innovation becomes open to public inspection. It reads:
- "Subject to section 56A, a specification, or other document, is to be taken to have been published on the day on which it becomes open to public inspection unless it has been published otherwise before that day."*

92. Therefore, I'm of the view that the Defendants shouldn't maintain a position inconsistent with Australian law on public disclosure, while simultaneously benefiting from the patent rights granted to the 2nd Defendant under Innovation Patent No. 2006100721.

93. In addition, in the letter dated 21st September 2012 marked X6, the 2nd Defendant has acknowledged that he is "the holder of a patent for the same process in the United Kingdom Patent No. GB 2432031 filing date 21st July 2006 priority date 30th August 2005."

94. The 2nd Defendant has specifically confirmed that the priority date for the UK Patent concerning the same invention is 30th August 2005, the date on which the 2nd Defendant filed the application for the innovation patent. Thus, the Defendants cannot subsequently deny that the said Innovation Patent No. 2006100721 does not become prior art.

95. Moreover, the rejection of the PCT application, on the grounds that Innovation Patent No. 2006100721 was identified as prior art, cannot be disregarded either.

96. As per proceedings dated 24.05.2019 at page 2-4 2nd Defendant testified as follows:

Q: And on the previous date you were questioned on the PCT application?

A: Yes.

Q: Now, it was put to you that the PCT application was rejected?

A: Yes.

Q: Now, is that correct?

A: No.

Q: Why is that?

A: Because the PCT does not actually issue patents. It is an international body that gives a priority on an application which is then filing in different other countries by a person seeking a patent and it does a search to identify the background of the application has been made.

Q: Now, after you made that PCT application, that PCT application was published?

A: Yes.

Q: That was produced marked as P17 by the Plaintiff?

A: Yes.

Q: Now, subsequent to that a search report was issued?

A: Yes.

Q: That was also marked as P18?

A: Yes.

Q: Now, the search report has cited a prior art in that document?

Q: The international search report cites only one document as prior art in respect of your PCT application ?

A: Yes.

Q: What is that document?

A: It states AU 2006100721 the name Harold Wijetunge, 21st September 2006, the Whole document.

Q: What is that document?

A: That is the Innovation Patent which was granted to me by the IP office in Australia.

Q: Who has issued that search report?

A: The World Intellectual Property Organization has issued the international search , report.

Q: At the bottom of the search report the authority by which it has issued has been set out?

A: Yes.

Q: What is that Authority?

A: The European Patent Office of Rijswijk in Holland.

Q: So, the European Patent Office has carried out the search and they have only found your previous Innovation Patent as the only prior art in respect of the PCT application you have lodged?

A: Yes."

97. As a result, the Innovation Patent No. 2006100721 should be regarded as prior art for the Patent bearing No.14841.

98. ***Bristol Myers Co's Application [1969] RPC 146 at 1 Application [1969] RPC 146*** at 155 per Lord Parker CJ:

"If the information, whether in documentary form or in the form of the invention itself, has been communicated to a single member of the public without inhibiting fetter that is enough to amount to a making available to the public."

99. Given the substantial evidence indicating a prior disclosure by his own prior Patent applications, it is clear that the 2nd Defendant has not met the novelty requirement specified in Section 64(2) of the Intellectual Property Act, despite having been awarded Patent No. 14841 by the National Intellectual Property Office of Sri Lanka.

100. In this regard, following excerpt is of much importance.

*Information will become part of the state of the art irrespective of the way in which it was made available to the public. Consequently, information may become part of the state of the art as a result of written descriptions (such as previously published patents or journal articles, through past uses, exhibitions, sales or by oral communications. (**Intellectual Property by Lionel Bently & Brad Sherman page 531, 532**)*

101. The Plaintiff has further taken up the position that the Patent bearing No.14841 does not involve an inventive step as it is obvious to a person having ordinary skill in the art (POSITA) in accordance with section 65 of the Intellectual Property Act No.36 of 2006.

102. Section 65 of the Intellectual Property Act No.36 of 2006 recognizes inventive step as a prerequisite for patent eligibility. It reads:

Section 65- Inventive step

An invention shall be considered as involving an inventive step if, having regard to the prior art relevant to the patent application claiming the invention, such inventive step would not have been obvious to a person having ordinary skill in the art.

103. The above Section ensures that the invention has not been obvious to a person having ordinary skill in the art (“PHOSITA”) at the time of invention.

104. In ***PLG Research v. Ardon International*** [1999] FSR 116, 136, the need to show inventive step as a condition for patentability has been explained on the following basis:

“Philosophy behind the doctrine of obviousness is that the public should not be prevented from doing anything which was merely an obvious extension or workshop variation of what was already known at the priority date”.

105. The Plaintiff contended that the technology and/or processes described in Patent 14841 lack novelty and inventiveness, asserting that they were obvious to persons having ordinary skills in the art at the time the patent application was filed.

106. The two seminal English cases, ***Windsurfing International Inc. v Tabur Marine (Great Britain) Ltd*** (1985) R.P.C. 59 and ***Pozzoli SPA v BDMO SA*** [2007] EWCA Civ 588, have been instrumental in the development of the tests for obviousness to assess the inventive step.

107. In ***Windsurfing International Inc. v Tabur Marine (Great Britain) Ltd*** (1985) R.P.C. 59 UK Court of Appeal held that the question of obviousness,

“has to be answered, not by looking with the benefit of hindsight at what is known now and what was known at the priority date and asking whether the former flows naturally and obviously from the latter, but by hypothesizing what would have been obvious at the priority date to a person skilled in the art to which the patent in suit relates.”

108. The court established the following four-step approach to assessing obviousness:

(1) Identify the claimed inventive concept.

(2) Assume the mantle of the normally skilled but unimaginative addressee in the art at the priority date and to impute to them what was, at that date, common general knowledge of the art in question.

(3) Identify what, if any, differences exist between the matter cited as being “known or used” and the alleged invention.

(4) Decide, without any knowledge of the alleged invention, whether these differences constitute steps which would have been obvious to the skilled person or whether they require any degree of invention.

109. In the **Pozzoli Case**, the Court of Appeal provided a detailed examination of the Windsurfing approach, identifying four critical elements:

(1)(a) Identify the notional “person skilled in the art”

(b) Identify the relevant common general knowledge of that person;

(2) Identify the inventive concept of the claim in question or if that cannot readily be done, construe it;

(3) Identify what, if any, differences exist between the matter cited as forming part of the “state of the art” and the inventive concept of the claim or the claim as construed;

(4) Viewed without any knowledge of the alleged invention as claimed, do those differences constitute steps which would have been obvious to the person skilled in the art or do they require any degree of invention?

110. In the matter of **Generics (UK) Ltd v H Lundbeck A/S [2007] EWHC 1040 (Pat) [2007] RPC 32 (§72)**, Kitchin LJ emphasized the importance of considering the specific facts and circumstances of the case when addressing the issue of obviousness:

“The question of obviousness must be considered on the facts of each case. The court must consider the weight to be attached to any particular factor in the light of all the relevant circumstances. These may include such matters as the motive to find a solution to the problem the patent addresses, the number and extent of the possible avenues of research, the effort involved in pursuing them and the expectation of success.”

111. The ordinary person skilled in the arts was explained by Lord Reid in ***Technograph Printed Circuits Ltd. v. Mills & Rockley (Electronics) Ltd.***, [1972] R.P.C. 346 as follows:

“... the hypothetical addressee is a skilled technician who is well acquainted with workshop technique and who has carefully read the relevant literature. He is supposed to have an unlimited capacity to assimilate the contents of, it may be, scores of specifications but to be incapable of scintilla of invention. When dealing with obviousness, unlike novelty, it is permissible to make a “mosaic” out of the relevant documents, but it must be a mosaic which can be put together by an unimaginative man with no inventive capacity.”

112. In light of the above judgement, it is clear that the person skilled in the art is one who is well familiar with the technical details and the literature, but still lacks any inventive skill. Such an ordinary person skilled in the arts may combine several sources together, as in a mosaic, but in an unimaginative manner.

113. A disclosure can only be deemed non-obvious if it is so distant and unrelated to the extent that a person skilled in the art would never have factored it into consideration while working on the invention.

114. Thus, if a person of ordinary knowledge of the subject can instantly recognize, comprehend, and apply the discovery without the necessity of conducting further experiments, such an invention may fail to demonstrate non-obviousness.

115. In the present matter, the 1st paragraph of the Claim of the impugned Patent application No. 14841 describes an "electronically generated Mobile Cash Transaction Card" which contains specific information, including a nine-digit identifier referred to as the "Primary Transaction Code."

116. It is pertinent to observe that the Plaintiff has been using a similar electronically generated card, known as the KIT card, since 1999. The Plaintiff claimed that the technology applied in the production of the KIT card and the Mobile Cash Transaction card is the same.

117. Such electronically generated cards consist of a randomly assigned PIN, which is concealed beneath a scratch-off cover, along with a serial number that is sequentially allocated to each printed card. Both the KIT card and the Mobile Cash Transaction card as detailed in application 14841 provide essential information, including instructions for use and helpline support.
118. The subscriber scratches the removable layer masking the PIN and enters the PIN by dialing into a server that guides the subscriber to enter the relevant details by means of an interactive voice response (IVR) system housed in a remote server.
119. Paragraph 2 of the claims of Patent application No. 14841 describes how, command prompts are utilized to follow the transaction process, resulting in the transmission of a short text message (SMS) to both the sender and the recipient confirming the transactions.
120. The Plaintiff stated that the use of voice prompts, which was also identified in steps 2, 3, and 6 of Patent No. 14841, was already present in the prior art.
121. The Plaintiff maintained that such techniques were commonly applied as online selection and verification methods, especially in processes such as credit card activation, online transactions, reservation systems, lotteries, airline ticketing, and coach ticketing.
122. In this regard the Plaintiff attached several copies of Patents related to interactive voice response systems (IVR).
123. An illustrative example of a patent filed is the US patent application/publication 20060210030 wherein, the Patent concerned a Voice over IP method designed for the development of an interactive voice response system. In addition, the Plaintiff presented the Patent bearing No. 2002/0184002A1 granted to a method and apparatus for tailoring voice prompts of an interactive voice response system, which facilitates the ability to customize voice prompts with their own vocal, dialect, and linguistic characteristics of voice prompts of an interactive voice response telephone system.

124. The US Patent No. 6173042 which the Plaintiff has attached, is concerning a system designed to facilitate personal computer access to an interactive voice response (IVR) system. Additionally, US Patent No. 7986773 addresses an encryption technique ensuring safety of sensitive information entered by users during an IVR session.
125. The Defendants have not, in any instance, contested the Plaintiff's assertion that the above patents attached by the Plaintiff in their Complaint constitute prior art for the Patent bearing No. 14841.
126. Moreover, it is pertinent to note that the messages displayed on the mobile phone pertaining to financial transactions have been previously documented in the art as well.
127. The Plaintiff averred that the Mobile money services have been in existence around the world since 1990s.
128. In support of this position, the Plaintiff has presented several patents associated with banking services performed through mobile phones. The Patent bearing No. PCT/WO/98/42173, outlines a method for delivering banking services through short service messages (SMS) transmitted from a device within a cellular network.
129. In UK Patent bearing No. GB 2372615 filed in the early 2000s, pertains to a telephone-based payment system. This system enables money transfers between mobile phone devices by dialing a designated service access code. In this method, the parties are required to enter the mobile number of the beneficiary, the amount to be transferred, and a PIN.
130. As per the paragraph 3 of the claims of Patent application No. 14841, the process of obtaining cash involves dialing into the mobile cash payment gateway through an EFTPOS/POS terminal. This requires the user to input a 9-digit primary transaction code, the amount of cash requested, the transaction reference received from the gateway, the transfer security PIN from the Sender, and the phone number of the Receiver.

131.This entails feeding the information required, into an EFTPOS/POS terminal to obtain the cash transaction from the respective merchant.

132.Paragraph 4 of the claims of Patent Application 14841, states that paragraphs 1,2 and 3 enables instant cash withdrawal and pay out, a point that is clearly understood, even in the absence of paragraph 4.

133.Accordingly, I do not find that it would be impossible or difficult for an ordinary skilled person in the art to piece all of the prior art together and anticipate an invention as defined within the claims of Patent application No.14841.

134.Considering the circumstances outlined above, I conclude that the 2nd Defendant, at the time of filing the application, did not fulfill the critical criteria of novelty and inventive step associated with Patent No. 14841, thereby constituting grounds for the nullity of Patent under Section 99(1) of the Intellectual Property Act.

135.In addition, the Plaintiff also argued that there's a lack of support from the description and certain claims involve ambiguity, which renders the claims within paragraph 1-4 to be treated invalid.

136.The Plaintiff, while referring to paragraph 1 contended that although the 2nd Defendant has introduced the term "encrypted 9-digit Primary Transaction Card" no explanation has been given as to the nature of encryption and its purpose.

137.In ***Electrical and Musical Industries, Ltd. and Boonton Research Corporation Ltd. vs. Lisson Ltd. and another*** 1937 (54) R.P.C. 307(1), Court held as follows:

"As in all patent actions in which the validity of the patent is put in issue, the first thing to be determined is the proper construction of the specification; but the specification must be construed with a proper appreciation of the meaning that it would convey to persons engaged in the art to which it relates, for it is to those persons that it is addressed and it must be read with their eyes."

138. Thus, in order to ensure technical clarity and to enable a person skilled in the art to understand the purpose and method of encryption, it is crucial to present sufficient descriptive support, which is not evident in paragraph 1 of the claims.

139. Moreover, the Plaintiff pointed out that there's ambiguity in paragraph 2 and 3 of the claims, where paragraph 1 refers to a product while paragraphs 2 and 3 include process claims.

140. Accordingly, I'm of the view that paragraphs 1,2,3 contain ambiguity with respect to the nature of the Patent claim that the inventor sought to establish.

141. Section 71(4) of the Intellectual Property Act provides that the claim or claims shall be clear, concise and supported by the description. Any failure to do so stands as a ground for nullity of patent under Section 99(1)(b) of the Intellectual Property Act.

142. Thus, upon consideration of the above facts and circumstances, I find it appropriate for the Court, in accordance with Section 99(1) of the IPA, to declare Patent bearing No. 14841 null and void.

Is there an Infringement of Patent bearing No. 14841?

143. Before proceeding with the analysis, it is important to note that, in light of the compelling grounds established for the nullification of Patent No. 14841, I do not find that the Defendants hold any rights that could be infringed upon.

144. Nevertheless, to provide further clarity, and to answer the claims in reconviction of the Defendant, I must now proceed to determine whether the eZ Cash Service of the Plaintiff infringes the Defendant's Patent bearing No. 14841.

145. It is the Plaintiff's position that Patent bearing No. 14841 is fundamentally different from the eZ Cash service.

146. The Plaintiff submitted that the Patent bearing No. 14841 does not in any way include a mobile wallet and as per the said Patent No. 14841, the entire value of

the transaction card is paid out to the receiver at once without any involvement of a mobile wallet.

147. The Defendants, by pleading the Doctrine of Equivalents averred that multiple claims found in Patent 14841 have been infringed by the Plaintiff in a non-literal manner.

Patent bearing No. 14841

148. Under Patent Application number 14841, 4 claims have been introduced by the inventor. The 4 claims that define the process of, "TRANSFER OF CASH FROM ONE MOBILE PHONE USER TO ANOTHER MOBILE PHONE USER WITH INSTANTANEOUS ACCESS TO THE WITHDRAWAL AND PAY OUT OF CASH" are as follows:

1. An Electronically generated Mobile Cash Transaction Card characterized by encrypted 9 digit Primary Transaction Code bearing check - digits for verification and containing a Sum of Cash printed on it together with Instructions and Conditions of Use together with associated Transaction Fee and other Customer Help information.

2. Dial up to a Remote Mobile Cash Payment Gateway which will contain the relevant activation prompts and would receive activation of the transaction by the User inputting such information through the pressing of the Key Pad of the Mobile Phone and following the "protocol" process enumerated in Step 3. The completion of the "protocol" process allows for "ACTIVATION" of transaction by the "SENDER" keying in the 9 digit Primary Transaction Code referred to in Claim 1 together with the Amount of Cash for transfer referred to in Claim 1 and the keying in of the "Receiver's" Mobile Phone Number and the entry of a 4 digit Transfer Security Pin to facilitate Activation. The Remote Mobile Cash Payment Gateway on Activation of transaction will generate and send a transaction reference number to the "RECEIVERS" Mobile Phone by short text message confirming transaction. (SMS)

The "SENDER" forwards 9 digits Primary Transaction Code and Cash amount sent referred to in Claim 1 and Transfer Security Code referred to in Claim 2 to "RECEIVER" of Funds.

3. The "RECEIVER" dials the Mobile Cash Payment Gateway referred to in Claim 2 via the EFTPOS/POS Terminal provided at the Merchant premises to obtain Authorization for the "Pay-Out" by using the 9 digit Primary Transaction Code, and Cash amount to be received referred to Claim 1 and by providing the transaction reference received direct from the Gateway and Transfer Security Pin received from the "SENDER" referred to Claim 2 and by the inputting of the Receivers Mobile Phone number referred to in Claim 2.

4. Transfer of Cash from One Mobile Phone User Number to another Mobile Phone User with instant access to the withdrawal and pay out of cash is substantially enabled as described by Claims 1, 2 and 3 above and as hereinbefore described with reference to the process flow.

149.As per the above claims, a mobile transaction card is electronically produced by a POS/EFT POS system within a merchant's outlet, upon purchase.

150.By dialing the sender's phone number and proceeding through multiple voice prompts, the options and inputs listed below can be accessed.

151.The options include; selecting a language, inputting the nine-digit primary transaction code, entering the recipient's mobile phone number followed by the hash key, specifying the amount of money to be transferred by the sender, and creating, entering, and confirming a four-digit transfer security PIN.

152.The sender receives a notification via voice prompts indicating that the mobile cash transfer has been activated. Thereafter, the sender is required to provide the receiver with the 9-digit primary transaction code, the amount of cash being transferred, and the four-digit transfer security PIN.

153.An SMS notification is sent to the receiver stating that the amount of money is ready for collection at any local payout point, along with the transaction reference.

The sender communicates a four-digit transaction security PIN to the receiver, and the SMS also contains the nine-digit primary transaction code and the cash amount.

154. The receiver requests the payout of cash from a merchant in the locality and merchant grants access to the receiver via an POS or EFT POS terminal.

155. The POS or EFT POS display requires information: 9-digit primary transaction code, receiver's mobile phone number, the cash withdrawal amount, and the four-digit security PIN for the transfer.

156. If the information submitted by the receiver with the values, corresponds with the approved values, an approval will be displayed on the display. Subsequently the merchant pays out cash to the receiver, and printed receipts will be issued.

eZ-Cash

157. As per the Complaint, the registration for the eZ-Cash service is mainly done by submitting an application or by dialing into a USSD.

158. Following successful registration, a personal identification number (PIN) will be issued to ensure security of transactions. Thereafter, the service will be activated, enabling money transfers between registered users.

159. The mobile wallet maintains a detailed account of the subscriber's financial transactions, including both receipts and payments, and securely stores the subscriber's current credit balance.

160. Subscriber deposits a certain amount of money into the mobile wallet, similar to bank deposits or cash wallets. This can be done through an online bank transaction or by visiting a merchant paying cash or by a fund transfer from another subscriber. The recipient is not required to add money into his/her wallet. The funds received will be electronically stored for subsequent use, payment or withdrawal.

161. To facilitate a payment or transfer of funds, the subscriber can either use the USSD feature or dial the assigned number.
162. By dialing the USSD service, the subscriber initiates a USSD session that allows for two-way communication with the USSD service. In turn, the USSD service presents a range of options on the mobile display unit of the user.
163. When the user selects the “send money” option, the user will be prompted to enter their PIN. Thereafter, the user must input the mobile number of the recipient, followed by the amount they wish to transfer.
164. A confirmation screen displayed including the mobile number of the recipient along with the amount to be transferred.
165. Following the confirmation by the sender, a confirmation message is sent that provides the transaction details such as the amount transacted, date and time of transaction the service charges and the transaction reference.
166. A similar SMS will be sent to the receiver, except that the mobile phone number will be the recipient's own.
167. Upon receipt, the money will be stored in the mobile wallet of the receiver for withdrawal, utilization for any purpose, donation, or transfer to another party as desired.
168. Funds can be withdrawn using USSD service, by selecting the cash withdrawal option available to merchants on their display. The user must provide their PIN upon request. Subsequently, the merchant must input the mobile wallet ID of the recipient and the amount to be withdrawn.
169. This will be followed by a popup message that requests the entry of their PIN. The recipient will then input their PIN into their mobile phone. The transaction is then authenticated by the system and the fund transfer will proceed. The merchant will thereafter pay out cash to the person.
170. The Plaintiff submitted that unlike in the eZ-Cash service, in the Patent 14841, the mobile phone was used only as a means of conveying a message to the

intended receiver that the money can be collected and no actual transfer of money is carried out through the mobile phone.

171. The Plaintiff described the process detailed in Patent 14841 as a “glorified version of Hawala method” in which usually fund transfers were carried out via agents within the same network, where authenticity was ensured by a password provided to the agent. The Plaintiff submitted that the process outlined in patent 14841 was akin to transactions of this kind, with the involvement of mobile phone being limited to the display of transaction details.

172. To determine what is equivalent under the doctrine of equivalents tri-partite test is often applied. The tri-partite test establishes that an accused may be found to infringe under the doctrine of equivalents if it performs a **function** that is substantially equivalent, in a **way** that is substantially the same, to achieve the **same result** as the claimed invention (emphasis added).

173. Accordingly, in order to determine whether an infringement has taken place, it is imperative to ascertain whether the Plaintiff’s eZ Cash service performs a similar function, in a similar manner to achieve the similar result, in view of the above elements of the two processes.

174. Upon examination of Patent No. 14841, it is essential to highlight that its core function is to enable the transfer of money among users of the service. Despite the Plaintiff’s service having a function of transfer of money, it incorporates a critical feature that allows to maintain a balance in a virtual wallet for future transactions. This particular function does not seem to be included in the Defendant’s Patent. Consequently, in terms of functionality, I do not perceive that the two processes execute functions that are substantially similar.

175. Moreover, the manner in which the process happens in Patent No. 14841 includes the sale of a Mobile Cash Transaction Card, using IVR system to navigate through a protocol process, accessing into a remote mobile cash payment gateway, using POS/EFPOS machine to provide approval to the cash payout, and notifications being sent through SMS.

176. Upon the comparison of the two processes mentioned above, it is apparent that the method of activation of the service is comparatively different in the 2 methods. In Patent 14841, the activation requires a vital component namely, “a mobile transaction card” which cannot be found within the Plaintiff’s service.

177. Moreover, it appears that the mobile wallet functionality is not included in the claims of Patent No. 14841. Despite the Defendants’ contention that the mobile wallet was a suggestion made by the 2nd Defendant during meetings in August/September 2011 meetings, no evidence has been provided to support his exclusivity over such a mobile wallet method.

178. More importantly it is pertinent to note that, while the Defendants maintained that the mobile wallet served as an improvement to their Patent 14841, which was disclosed to the Plaintiff in confidence, they have failed to produce any confidentiality agreement executed between the Defendants and the Plaintiff.

179. Upon consideration of the process of the Plaintiff and the Defendants, it is clear that the services provided by the two methods seem to differ significantly. Functions of the Patent 14841 appear to be limited to the transfer of money and lacks a mechanism for storing any funds at any stage of the process.

180. On the other hand, the Plaintiff’s process is equipped to store funds, much like a wallet, thus enabling subscriber to have a balance stored in their mobile wallet for future use. Additionally, the merchant’s involvement appears to be notably limited in the Plaintiff’s service, since the Sender is able to deposit funds through a bank deposit or by transferring money from another user. Therefore, it can be construed that a significant distinction exists between the processes undertaken by the Plaintiff and the Defendant.

181. The similarities alleged by the Defendants are associated with Claim 2 and Claim 3 of Patent No. 14841. Particularly, the similarity they claim in Claim 2 and Claim 3 involves utilization of command prompts for facilitating monetary transactions, the use of PIN numbers for transaction authentication, and the transmission of confirmation receipts via SMS.

182. One must recognize that the doctrine of equivalence is subject to limitations when prior art is involved. In this regard the following case law would be of much relevance:

183. In ***Graver Tank & Manufacturing Co. v. Linde Air Products Co.***, 339 U.S. 605, at 609 (1950) the Court held that,

“Equivalency must be determined against the context of the patent, the prior art, and the particular circumstances of the case. Equivalence, in the patent law, is not a prisoner of a formula and is not an absolute to be considered in a vacuum.”

184. It is worthy of repetition that the Plaintiff has presented several prior arts pertaining to the use of command prompts, using electronically generated scratch cards and the notification of banking transactions through SMS. Therefore, given that the prior arts exist as to all the above claimed elements, I do not find that the Plaintiff has infringed the Patent bearing No. 14841 under doctrine of equivalence.

185. In addition, it is my opinion that the final results of the two processes differ considerably, whereas the Patent No. 14841 may ensure the completion of the fund transaction, while the Defendants method may involve both the transfer of money and maintaining a virtual wallet. As a result, when considering both processes in their entirety, I do not perceive the dissimilarities as mere colourable variations.

Defendant’s Claims in Reconvension

186. Moreover, it is pertinent to note that the Defendants raised 2 claims in reconvension, alleging infringement of their Patent rights and the misappropriation of undisclosed information.

187. The 1st Claim in Reconvension was made on the basis that the Defendants’ Patent rights specifically in relation to claim 2 and 3 had been violated.

188. Nevertheless, as previously discussed, the claims alleged by the Defendants to have been infringed by the Plaintiff within claims 2 and 3 have proven to be already

existing in the prior art. In the circumstances, I do not find that a cause of action has accrued to the 1st Defendant against the Plaintiff.

189. Under the 2nd Claim in Reconvension, the Defendants argued that the Plaintiffs misappropriated the information disclosed to the Plaintiffs during their meetings, constituting unfair competition under Section 160 of the Intellectual Property Act.

190. It is pertinent to note that the mobile wallet feature cannot be found within Patent No. 14841. Moreover, the Defendants' claim that the Plaintiffs' development of the "mobile wallet" concept occurred only after the presentation by Nimbus Venture is limited to the slides from that presentation.

191. More importantly, no confidentiality agreement has been entered into between the Defendants and the Plaintiff, over the said information.

192. Therefore, it is difficult rather impossible for me to conclude that the Plaintiff has engaged in unfair competition through the misappropriation of the Defendant's confidential information.

193. In the circumstances, I'm inclined to dismiss the Claims in reconvension of the Defendants.

194. Accordingly, I answer the issues as follows:

1. Yes
2. Yes
3. Yes
4. Yes
5. Yes
6. Yes
7. Yes
8. Yes
9. Yes
10. Yes
11. Yes

- 12. Yes
- 13. Yes
- 14. Yes
- 15. Yes
- 16. Yes
- 17. Yes
- 18. Yes
- 19. Yes
- 20. Yes
- 21. Yes
- 22. Yes
- 23. Yes
- 24. Yes
- 25. Yes
- 26. Yes
- 27. Yes
- 28. Yes
- 29. Yes
- 30. In view of answer given to the above question, yes.
- 31. Yes
- 32. Yes
- 33. No
- 34. Does not arise.
- 35. Yes
- 36. Yes
- 37. Yes
- 38. Yes
- 39. Yes
- 40. Yes
- 41. Yes
- 42. Yes

- 43. Yes
- 44. Yes
- 45. Not proved.
- 46. Does not arise.
- 47. Yes
- 48. No
- 49. No
- 50. No
- 51. No
- 52. Yes
- 53. Yes
- 54. Yes
- 55. Yes
- 56. Does not arise.
- 57. Yes
- 58.
 - a. Yes
 - b. Yes
- 59.
 - a. No
 - b. Does not arise.
 - c. No
 - d. No
- 60.
 - a.
 - b.
 - i.
 - ii.
 - iii.
 - c. No
 - d. No
 - e. No

61. No

62. No

63.

- a. Yes
- b. Yes
- c. Yes
- d. Does not arise

64.

- a. Does not arise
- b. Does not arise
- c. Does not arise
- d. Does not arise
- e. Does not arise
- f. In view of the answers given above, No.

65.

- a. Does not arise
- b. Does not arise
- c. No
- d. No
- e. No

66. Yes

67. Yes

68.

- a. Yes
- b. Yes

69.

- a. Not proved.
- b. Yes
- c. Yes

70.

- a. Not proved.
- b. Not proved.
- c. Does not arise.
- d. Does not arise.

71.

- a. Yes
- b. Yes
- c. Yes
- d. Not proved.

72.

- a. Yes
- b. No
- c. Yes
- d. Yes

73. Yes

74. Only the issuing of the Patent bearing No. GB 2432031 is proved.

75.

- a. Yes
- b. Yes
- c. Not proved.
- d. Yes
- e. Not proved.

76. Yes

77.

- a. Yes
- b. Yes

78.

- a. Yes
- b. Yes
- c. Not proved.

- 79.
- a. Only the fact that the Plaintiff was interested in “MOBYLECASH” is proved.
 - b. Yes
 - c. It is only proven that Patent No. 14841 and the term “mobile wallet” were mentioned in the negotiations.
- 80.
- a. Not proved.
 - b. In view of the answer given above, does not arise.
81. Yes
82. Not proved.
- 83.
- a. No
 - b. Yes
 - c. Yes
 - d. Yes
 - e. Yes
- 84.
- a. Not proved.
 - b. Yes
 - c. Not proved.
 - d. Not proved.
85. Only the tendering of the letter by the 2nd Defendant is proved.
- 86.
- a. No
 - b. No
 - c. No
 - d. No
 - e. No
 - f. In view of the above answers given, No.
- 87.
- a.
 - i. No

ii. No

b. Does not arise, given there is no proof that the information qualifies as undisclosed information.

c. In view of the answer given to the above issue, no.

88.

a. Not proved.

b. Yes

c. No

d. No

89.

a. Does not arise.

b.

i. Does not arise.

ii. Does not arise.

c. Yes

d.

i. No

ii. No

iii. Does not arise.

90.

a. Yes

b. No

c. No

91.

a. No

b. No

c. No

92.

a. Does not arise.

b. Does not arise.

- c. Does not arise.
- 93.
- a. Does not arise.
 - b. No
94. Does not arise.
95. No
96. Does not arise.
- 97.
- a. No
 - b. No
98. No
99. It is only proven that presentations took place.
100. No
101. No
102. No
103. No
104. No
105. No

195. In view of the answers given to the above questions, I hereby grant the reliefs sought by the Plaintiff against the 1st Defendant and dismiss the Defendant's claim in reconvention.

196. The Plaintiff is entitled to costs.

Pradeep Hettiarachchi

Judge of the Commercial High Court

Colombo 12.

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