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By courier

Our Ref: 8982

March 20, 2008

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SWATI SHARMA
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LITIGATION GROUP
TRADEMARK GROUP
PATENT GROUP
PATENT ENGINEERS

Mr. Hardev Karar
Assistant Controller of Patents and Designs
HOD, Patent Office
New Delhi

Re: Comments: on Draft Manual of Patent Procedure and Practice

Dear Mr. Karar,

Kindly refer to your letter dated March 11, 2008 in the above matter.

We are enclosing our comments as desired.

We apologies for the delay in sending our comments.

Yours faithfully,

Shanti Kumar

Shanti Kumar

Encl: as stated above

CC:

V. Ravi
Controller General of Patents, Designs and Trademarks
Patent Office
Mumbai

Mr. N. R. Seth
Assistant Controller of Patents and Designs
Patent Office
Kolkata



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PARTNERS
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BINNY KALRA**
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**LITIGATION GROUP
TRADEMARK GROUP
**PATENT GROUP
*PATENT ENGINEERS

Our Ref: 8982

April 11, 2008

Mr. Hardev Karar
Assistant Controller of Patents and Designs
HOD, Patent Office
New Delhi

Re: Comments: on Draft Manual of Patent Procedure and Practice

Dear Mr. Karar,

This is in continuation to our letter dated March 20, 2008 in the above matter.

There were some errors in our comments sent to you. We have now corrected said errors and are enclosing our comments again.

Please acknowledge the safe receipt.

Yours faithfully,

Shanti Kumar

Shanti Kumar

Encl: as stated above

CC:

V. Ravi
Controller General of Patents, Designs and Trademarks
Patent Office
Mumbai

✓ Mr. N. R. Seth
Assistant Controller of Patents and Designs
Patent Office
Kolkata

\\vulcan\Patent Data\Priyamavada\Shanti Kumar Sir\Letter-Email.doc

POINTS OF CONCERN

1. Section 2(1)(j)

Section 2(1)(j) defines invention as a new product or a process involving an inventive step and capable of industrial application. The word “new” means not published anywhere in the world and not used in India only, in view of section 13 & 25. This is referred to as relative novelty.

Section 2(1)(l) defines “new invention” which means any invention or technology which are not anticipated by any reference in any publication used in any country or else where in world before the date of filing the patent application with complete specification that is the subject matter has not fallen in public domain or that it has not formed the part of the state of art. This definition refers to absolute novelty.

Remarks: In the light of above section 2(1) (ja) read with section 13 and 25 relates to relative novelty while section 2(1)(l) relates to absolute novelty. These two sections are not in harmony. The “**Draft Manual of Patent Procedure and Practice**” does not reflect this issue. A guideline may kindly be provided with regard to these two sections in draft manual.

2. Section 2(1)(ta):

Section 2(1)(ta) defines pharmaceutical substance as any new entity involving one or more inventive step. This definition does not define the pharmaceutical substance. It may be clarified that “what the new entity means” whether it means the new chemical entity or new pharmaceutical entity this point may be clarified in the “**Draft Manual of Patent Procedure and Practice**”.

3. Section 3(b):

The word “animal” in section 3(b) has not been defined it is not clear whether the invention relating to killing rats in agriculture field will fall within the scope of sections 3(b). Needless to mention that Prevention Of Cruelty Among Animals Act is in force.

4. Section 3(d):

The word “efficacy” under section 3(d) has not been defined. It is not clear whether it is economic efficacy industrial efficacy or functional efficacy. This matter may be clarified in the “**Draft Manual of Patent Procedure and Practice**”. Further, patent office is known as record office for conducting novelty search and have no means to determine the functional efficacy.

Section 3(d) suggests that a new form (different size, polymorph, etc. of a known substance) that results in an enhancement of the known efficacy is patentable. It is not possible to have a standard numerical value for efficacy for all pharmaceutical products.

Further, the interpretation of the term "efficacy" should not be limited to only pharmacological and therapeutic efficacy as nowhere does the Act define the term as such. This expression can include therapeutic and or non therapeutic efficacy such as improved thermodynamic stability, economic efficacy, reduced microbial drug resistance etc. Further section 3(d) need not apply only in case of pharmaceutical industry but also agrochemicals, and hence interpretation of efficacy as to only therapeutic efficacy becomes incorrect in the context of section 3(d).

According to the laws of interpretation, the term and expressions used in the statute have to be interpreted so as to justify the purported logical conclusion and not with a view to render a provision ineffective and infructuous.

5. **Section 10(4A):**

Section 10(4A) states that in case of international application designating India, the title, description, drawings, abstract & claims filed with the application shall be taken as complete specification for the purpose of this Act.

Since some of the inventions are not patentable under the Indian Patents (Amendment) Act, 2005, such as program product or business method algorithm, mathematical method. In such cases where the applications contains claims or description relating to these inventions, can the applicant in order to save the cost delete these claims while filing the application. Different practices are prevailing in different patent offices. A guideline in the "**Draft Manual of Patent Procedure and Practice**" appears to be necessary.

6. **Section 3(k):**

Under section 2(1)(j) invention means a new product or process involving an inventive step and capable of industrial application. The new process includes software processes, if the software process is new, involves an inventive step and capable of industrial application it is patentable invention.

In this connection we wish to point out that the different patent offices are following different practices in granting patents in the field of software. Here we wish to point out the following paragraph from the "**Draft Manual**

of Patent Procedure and Practice”, which read inconsistent with each other and causes confusion.

- 4.11.4 A hardware implementation performing a novel function is not patentable if that particular hardware system is known or is obvious irrespective of the function performed.*
- 4.11.6 The method claim should clearly define the steps involved in carrying out the invention. It should have a technical character. In other words, it should solve a technical problem. The claims should incorporate the details regarding the mode of the implementation of the invention via hardware or software, for better clarity.*
- 4.11.6 A claim directed to a technical process which process is carried out under the control of a programme (whether by means of hardware or software), cannot be regarded as relating to a computer programme as such.*
- 4.11.7 A novel solution to a problem relating to the internal operations of a computer, although comprising a program or subroutine, will necessarily involve technological features of the computer hardware or the manner in which it operates and hence may be patentable.*
- 4.11.8 An invention consisting of hardware along with software or computer program in order to perform the function of the hardware may be considered patentable. e.g., embedded systems.*

Unfortunately, neither the Indian Patent (Amendment) Act, 2005 nor the Patents (Amendment) Rule, 2006 define a mathematical/business method or a computer program *per se* or an algorithm. Under such circumstances, it may be necessary to rely on the practices built up under articles 52(1), 52(2) & 52(3) of the EPC, where similar provisions corresponding to the provisions of IP Act 2005 under section 3(k), 3(m) & 3(n) exists.

A program producing technical effect or program having technical character is permissible in EPO. In this connection we would like to mention that the following basic case laws are applicable under the Indian Patent (Amendment) Act, 2005.

1. Vicom Systems' Application (1987)
2. Koch vs Sterzel (1988)
3. Colour Television Signal (1990)
4. IBM/Text Processing (1990) (Not permissible)
5. Computer Program Product IBM (1990) under this case program must be considered patentable when they have technical character.
6. General Purpose Management System / SOHEI (1995)
7. Diamond vs Dier

- Further, software inventions used for improving the internal performance of the computer resources- a technical problem and reaches a technical result constitutes an invention.
- Inventions used for controlling, measuring & testing process are a fit subject matter for the grant of patent.
- Inventions used for external data processing for instance an image processing system, inventions relating to client server interaction through internet for secure transmission of biometric data are permissible.
- Method of numerical conversion does not constitute an invention under section 3(k).
- A computer program having a technical effect and providing a technical solution should be allowed without constraints of hardware.

In view of above software related invention may be patentable if accompanied by a novel and non obvious technical effect which adds the art of technology.

7. Rule 24B(2)

The patent rules frequently refers to the word “ordinarily” for instance in rule 24B(2) but has not been explained in the “**Draft Manual of Patent Procedure and Practice**”. It may be seen from patent office record that the applicants’ have filed the request for examination but the examination report have not been issued for more than two years. It may please be clarified in the “**Draft Manual of Patent Procedure and Practice**”, what is the meaning of the word “ordinarily”.

The letter from the patent office informing the applicant that the application is found in order for grant is issued by the Patent Office. However, the Letters Patent is issued after 2-3 years. Once the word “ordinarily” is explained, it will smoothen the functioning of patent office.

Considering the fact that we do not have any patent term extension provision, this point becomes extremely important.

8. Section 11(A):

The publication under section 11A(2) if not made ordinarily within one month of time, the purpose of section 11A(2) is defeated as it serves to accelerate the grant by early publication, as early publication results in early examination and grant.

Filing amendments or divisional Patent application before the grant under section 57 and section 16 of the Patent Act. No practice has been laid down in the manual practice with regard to filling of amendment and divisional application before the grant, in view of the fact that the patents are granted much after the intimation letter of grant is issued.

10. Tendency of the patent office to abandon the application under section 21

In this connection we are enclosing 3 case laws as annexure 2, 3 & 4 where the High Court either in a writ or in an appeal has remanded back the application to a Controller to hear the case and decide. It has been noticed that even if the applicant submits his first response within a month or two at the Patent office, the Patent Office takes up the application for further examination just one month before the last date. The **“Draft Manual of Patent Procedure and Practice”** has specified that 10 days notice should be given for hearing. However, in rule 28(3) the Controller can hear the applicant within such shorter period depending upon the circumstances of the case. Needless to mention that the principle of natural justice is denied, if the Controller refuses to hear the applicant and just abandons the application under section 21. Accordingly it is requested that some guideline may kindly be issued in this regard.

It has also been noticed that the controller issued a fresh official objection on the last day. This should be stopped in view of the Controller’s instructions issued earlier from time to time. Further, there is no provision under the act or the rules to issue further examination report.

11. Section 25(1):

From the act & rules it may be seen that it is mandatory for the Controller to hear the opponent, if he has requested. Some patent offices do not even hear the applicant while hearing the opponent which is against the natural justice. Accordingly a guideline should be given that both the parties should be heard & before hearing the decision.

12. Section 107A:

Section 107A(a) is not clear with respect to **“selling or importing”**. This may be clarified by way of example in the official manual.

Under section 107A(b) “*who is the person duly authorized*” under the law. A clarification may kindly be given in the office manual.

13. Chapter XIX

Chapter XIX of the Indian Patents (Amendment) Act, 2005, does not define where the aggrieved party should file an appeal against the IPAB order whether before the division bench of the High Court or Supreme Court.

14. Difference between “in order for grant” and “grant”:

There is a confusion regarding the grant date, whether the date should be when the intimation letter regarding grant is issued or some other arbitrary date. This causes confusion while filing the amendments or divisional application under section 57 and 16. Thus a direction may be given in the manual.

15. Fee in respect of sequence listings

Sequence listings have to be provided in electronic form only to aid in searching. Therefore no fee should be payable in respect to the paper version of the sequence listing.

16. Section 10(5)

The Examiner while examining the application finds independent claims usually raises an objection of plurality of distinct inventions without looking at common inventive concept of the invention. In this connection we would like to mention that section 10(5) is the same as 12 bis of PCT Rules. We suggest that the Patent Office should look to the independent claims as allowable as such before issuing the examination report and a guideline to this effect be provided.

17. Practice regarding claim language

The Patent Office often objects to the words ‘of’, ‘according to’ etc. and are forcing the application to amend the claims to ‘as claimed in’ which is incorrect.

18. Proof of right

The Patent Office is insisting for proof of right in every case whereas the proof of right is necessary only when a provisional followed by complete application is filed or in the case of convention application where the

original applicant assigns the right to another person. Accordingly the office manual should provide guidelines.

19. Rule 138

The Patent Office desires one to file a petition within one month extended time, which is incorrect. Rule 138 requires that a petition should be filed prior to the deadline for extension.

The above points clearly illustrate that the patent office needs to issue guidelines which are not in conformity with the patent law.

POINTS OF CONCERN

1. Section 2(1)(j)

Section 2(1)(j) defines invention which means a new product or a process involving an inventive step and capable of industrial application. The word “new” means not published anywhere in the world and not used in India only, in view of section 13 & 25. This is referred to as relative novelty.

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Section 3(d) suggest that a new form (different size, polymorph, etc. of a known substance) hat results in an **enhancement of the known efficacy** is patentable. The explanation to the said section only aids in the interpretation of the operative part and states that the enhancement of the known efficacy should be a result of a significant difference in **properties** in properties with regard to efficacy.

Section 3 (d) should not be interpreted as demanding a significant difference in efficacy. Section 3(d) does not require a **significant difference in efficacy** to make an invention qualify for a patent. As can be interpreted from the explanation section 3(d) requires a **significant difference in properties** to result in an efficacious because it is not possible to have a standard numerical value for efficacy for all pharmaceutical products.

Further, the interpretation of the term “efficacy” in section 3(d) should not be limited to only pharmacological and therapeutic efficacy as nowhere does the Act define the term efficacy to mean only pharmacological and therapeutic efficacy and this expression can include therapeutic efficacy and /or non-therapeutic efficacy such as improved thermodynamic stability, economic efficacy, reduced microbial drug resistance etc.

According to the laws of interpretation, the term and expressions used in the statute have to be interpreted so as to justify the purported logical conclusion and not with a view to render a provision ineffective and infructuous.

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Section 10(4A) states that in case of international application designating India, the title, description, drawings, abstract & claims filed with the application shall be taken as complete specification for the purpose of this Act.

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A program producing technical effect or program having technical character is permissible in EPO. In this connection we would like to mention that the following basic case laws are applicable under the Indian Patent (Amendment) Act, 2005.

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9. **Section 11(A):**

The purpose of section 11A(2) is defeated as it serves to accelerate the grant by early publication as early publication results in early examination and grant.

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In this connection we are enclosing 3 case laws as annexure 1, 2, & 3 where the High Court either in a writ or in an appeal has remanded back the application to a Controller to hear the case and decide. It has been noticed that even if the applicant submits his first response within a month or two at the Patent office, the Patent Office takes up the application for further examination just one month before the last date. The **“Draft Manual of Patent Procedure and Practice”** has specified that 10 days notice should be given for hearing. However, in rule 28(3) the Controller can hear the applicant within such shorter period depending upon the circumstances of the case. Needless to mention that the principle of natural justice is denied, if the Controller refuses to hear the applicant and just abandons the application under section 21. Accordingly it is requested that some guideline may kindly be issued in this regard.

It has also been noticed that the controller issues a fresh official objections on the last date. This should be stopped in view of the Controller's instructions issued earlier from time to time. Further, there is no provision under the Act or the rules to issue further examination report.

11. **Section 25(1):**

From the Act & Rules it may be seen that it is mandatory for the Controller to hear the opponent, if he has requested. Some patent offices do not even hear the applicant while hearing the opponent which is against the principle of natural justice. Accordingly a guideline should be given that both the parties should be heard before the decision.

12. **Section 107A:**

Section 107A(a) is not clear with respect to **“selling or importing”**. This may be clarified by way of example in the official manual.

Under Section 107A(b) **“who is the person duly authorized”** under the law. A clarification may kindly be given in the office manual.

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Sequence listings have to be provided in electronic form only to aid in searching. Therefore no fee should be payable in respect of fee for sequence listing (in paper form).

15. Section 10(5):

If the Examiner while examining the application finds independent claims is tempted to raise plurality of distinct invention without looking at common inventive concept of the invention. In this connection we would like to mention that **section 10(5)** is the same as **12 bis of PCT Rules**. We suggest that Examiner should look to the independent claims allowed in PCT claims before issuing the examination report.

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Second Edition

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upon application made by any of the parties, and after giving all parties concerned an opportunity of being heard, give such directions as he thinks fit for enabling the application to be proceeded with in the name of one or more of the parties alone, or regulating the manner in which it is to be proceeded with.⁵⁹ The application should be made on Form 12 and should be accompanied by a statement setting out the facts and the directions sought. The Controller will send a copy of the application to every other joint applicant.⁶⁰

- 154 Time for complying with office requirements.**—If the applicant does not comply with the requirements of the office within fifteen months from the date on which the first statement of objection was forwarded by the Controller, the application will be deemed to have been abandoned.⁶¹ The objections may relate to the application or to the complete specification. Where the application, specification, or any document filed in connection with the application is returned to the applicant for meeting some requirements, the amended documents should be refiled within the prescribed period, failing which the application will be deemed to be abandoned.⁶² The period of fifteen months may be extended by the Controller by a further three months if the applicant makes a request to that effect on Form 5 within the fifteen months' period.⁶³ If on the expiry of the fifteen months' period (or the extended period) an appeal to the High Court is pending, the period for complying with the requirements of the office will, on an application made by the applicant before the expiration of the said period, be extended until such date as the High Court may determine.⁶⁴ If the time for filing appeal has not expired, the Controller may extend the fifteen months' period (or the extended eighteen months' period) until the expiration of such further period as he may determine.⁶⁵ This is subject to any extension of time that may be granted by the High Court, in the appeal, for complying with the requirements of the Controller.⁶⁶

⁵⁹ Ss. 20(5) and 20(3)(d).

⁶⁰ Rule 34.

⁶¹ S. 21(1). In *Elkem-Spigerverket A/s v Controller General of Patents*, 2 DPD 498 (Writ Petition) the order of the Controller General treating an application as deemed to have been abandoned under section 21 was set aside as no notice was given to the applicant and no opportunity given to them for showing cause.

⁶² Explanation to S. 21(1). See also *Pensalt Chemicals Corporation's Appln.* (1968) RPC 27.

⁶³ S. 21(2) and Second Schedule.

⁶⁴ S. 21(3).

⁶⁵ S. 21(4).

⁶⁶ S. 21(4) proviso.

IN THE HIGH COURT OF DELHI

Writ Petition (Civil) No. 6836/2006

Judgment reserved on: 29th January, 2008

Date of decision : February 25, 2008

Ferid AllaniPetitioner
through: Ms. Shwetasree, Advocate

VERSUS

UOI & Ors.Respondents
through: Mr. J.P. Sengh, Advocate

**CORAM:
HON'BLE MS. JUSTICE GITA MITTAL.**

- | | | |
|----|---|-----|
| 1. | Whether reporters of local papers may be allowed to see the Judgment? | Yes |
| 2. | To be referred to the Reporter or not? | Yes |
| 3. | Whether the judgment should be reported in the Digest? | Yes |

GITA MITTAL, J

1. By this writ petition, the petitioner assails the communication dated 21st September, 2005 whereby the Controller of Patents and Designs omitted certain objections in the patent application of the petitioner and at the same time, informed the petitioner that the last date of putting the application in order for acceptance will expire on 21st September, 2005. Inter alia this communication is assailed on the ground that the same was received by the petitioner only on the 24th of September, 2005 and consequently, the petitioner has been deprived of an opportunity of complying with the requirements communicated in the same.

2. It has further been contended that as notified by the respondent no. 2 in the communication, it has treated the patent application of the petitioner as having been abandoned. The challenge is on the ground that the communication and the action of the respondent is patently illegal and liable to be set aside and quashed.

3. The facts giving rise to the present writ petition have to be examined upon a consideration of the scheme of the Patents Act, 1970. The statutory provisions which are also required to be examined are those which were applicable on the date of consideration of the petitioner's application.

4. The petitioner submitted an Indian Patent Application no. IN/PLT/2002/00705/DEL on the 17th of July, 2002. A request for examination of the same was submitted on 19th November, 2004 which was within a period of two years and seven months of making of the application. The respondent no. 3, that is the Examiner of the Patent and Designs, issued the first examination report on the 21st February, 2005.

5. It now becomes necessary to examine the statutory scheme which governs the undertaking of an examination of the patent application. In accordance with stipulations contained in Section 11(A) of the Patent Act, 1970 read with Rule 24 of the Patent Rules, 2003, the patent has to be published in the Gazette after expiry of 18 months from the date of filing of the patent application.

The applicant for the patent has to file a request for its examination

under Section 11(B) read with Rule 24(B)(i) within 36 months from the date of the application or its date of priority or within 12 months from 1st January, 2005, whichever is earlier.

The petitioner submitted this application on the 19th November, 2004, within a period of two years and seven months of the making of the application.

6. The Examiner of Patents, respondent no. 3 has to examine the application in accordance with the provisions of Section 12 of the statute and submit the examination report within three months of the date of reference of the application for examination.

In the instant case, the first examination report was issued by the respondent no. 3 on the 21st February, 2005.

7. The next step prescribed under the rules is the right of the petitioner to respond to the first examination report. Such response has to be submitted in compliance with Rule 24(B) (i) within a period of six months from the first statement of objections. Therefore, such period of six months in the instant case would have expired on or about 21st August, 2005. Putting of the application in order for grant under Section 21 includes a response to all objections raised in the examination report and also compliance with all directions made thereunder as stipulated in Rule 24(B)(4)(i).

The rules, however, have permitted that this period of six months may be extended by a further period of three months when a request is made for

such extension in the manner prescribed under Rule 24(B)(4)(i).

8. Before the expiry of the period of six months on the 21st August, 2005, the petitioner filed a request on 15th July, 2005 seeking extension of the period to comply with the objections and the first examination report. The extension was allowed by the respondents and the petitioner was permitted extension of one month i.e. upto 21st September, 2005 to file his reply.

9. There is no dispute that the petitioner filed his reply on the 17th September, 2005 which was three days prior to the expiry of the period of one month. The respondent has disputed that the petitioner submitted his reply on the 17th September, 2005 and has contended that the same was given only on the 19th September, 2005.

Be that as it may, the position admittedly is that the same was within the period as extended by the respondents.

10. However, the matter did not end here. On the 21st September, 2005, the respondent no. 3 issued a second examination report containing a second set of objections for the petitioner to respond to. Apart from pointing out the objections, the respondent no. 3 indicated that the last date for the petitioner to put the application in order for acceptance would expire on the 21st September, 2005.

11. Ms. Shwetasree, learned counsel for the petitioner has vehemently contended that this second statement of objections which was in the nature of a second examination report, was received by the petitioner only on 24th

September, 2005. Consequently, it was impossible for the petitioner to respond to the objections which had been pointed out by the respondents in this communication.

12. Yet, without application of mind and without consideration of the legal principles which would apply in the instant case, it has been submitted that the respondents are treating the petitioner's patent application as abandoned without even communicating a formal order or a speaking order on the same. This action of the respondents and the communication dated 21st September, 2005 have been assailed by the petitioner before this court in the present writ petition.

13. The issue which has been raised by the petitioner primarily arises out of on the interpretation of the expression "within the time prescribed" in Section 21 of the Patents Act with respect to the petitioner putting an application for grant of a patent. The petitioner has submitted that the Act and the rules framed thereunder are silent on the time limit after which it is to be considered that the applicant has failed to put an application in order for grant of the patent after a second or more statement of objections are issued by the patent office.

14. It is urged, that the outer limit of six months extendable by the three months period under Rule 24(B)(i) and (ii) relates to the first examination report alone and would not control or restrict the second examination report or multiple statement of objections which are usually issued by the patent

office.

15. The argument is that, in any case, the period which is prescribed under Rule 24(B)(4)(i) and (ii) is directory and cannot be mandatory nor can the same be read to the prejudice of the applicant to deprive the applicant of his substantive right of grant of the patent inasmuch as the rule concerns procedural aspects of the matter alone.

16. The action of the respondents is also assailed on grounds of violation of principles of natural justice and statutory violation inasmuch as the mandatory procedure for hearing in an application where objections have been raised as prescribed under Section 14 of the Act has been ignored.

According to the petitioner, there was no act on the part of the petitioner which could lead into a conclusion of an expressed intention on the part of the petitioner to abandon its application and consequently, the respondents have grossly erred in the manner in which they have proceeded in the instant case.

17. The writ petition has been opposed by Mr. J.P. Singh, learned counsel for the respondents primarily on the ground that the respondents are justified in holding that there was deemed abandonment of the petitioner's application on the provisions of Section 21.

It has further been urged that the letter dated 21st September, 2005 was not complied with by the petitioner who was informed of the objections on the same date even though there was no service of the communication.

18. Having heard learned counsel for the parties at length, I find that the first issue which requires to be considered is the impact of the deemed abandonment of an application for grant of patent. The impact is prescribed inasmuch as the applicant is deprived of the valuable rights which flow in favour of any invention as are guaranteed under Section 48 of the Patents Act. Furthermore, under the statutory scheme, an appeal has been provided from any decision, order or direction made or issued under the Patents Act, 1970 by the Central Government or from any act or order of the Controller for the purposes of giving effect to any such decision, order or direction under Section 117(A). Similarly, an appeal lies to the Appellate Board from any decision, order or direction of the Controller or Central Government under Sections 15 to 19, 20, 25(4), 28, 51, 54, 57, 60, 61, 63, 66, 69(3), 76, 84(1) to 84(5), 85, 88, 91, 92 and 94.

It is noteworthy, that no appeal is provided against an order of deemed abandonment of the application for patent which is passed under Section 21 of the statute.

19. It is apparent that by an order of deemed abandonment, substantive rights of the applicant claiming entitlement to exclusive rights for its invention are denied.

It is also necessary to examine the provisions which provide the limitation for putting an application for patent in order. Section 21 of the Patents Act requires the applicant to put an application in order for grant

“within the time prescribed”. The word ‘prescribed’ is defined under Section 2(1)(u)(c) to mean that it is prescribed by rules made under the Act.

Rule 24(B)(4)(i) and (ii) provide the period of six months extendable by a period of three months for responding to such objections as are communicated on an examination of the patent application.

Section 12 of the Act requires examination of the application and issuance of the examination report within three months of the date of reference of the application for examination.

20. The statute has provided that an applicant makes a request for examination of the application as provided under Section 11-B read with Rule 24(B)(1) which results in the first examination. No statutory provision akin to Section 12 of the Act has been also placed in the statutory scheme which enables issuance of the second examination report. Therefore, if the interpretation suggested by the respondents were to be accepted, it is apparent that the second examination report would require to be rejected. But certainly this cannot be so. Consequently, the statutory provisions require a harmonious interpretation and not such interpretation as would result in an absurdity. The second examination report which has been issued on 21st September, 2005 is also not within the three months period referred to for examination of an application under Section 12 of the statute.

The statutory scheme provides no procedure or method in which the second examination report is to be made, served, dealt with or heard by the

respondents.

21. In the instant case, it is not disputed that the first examination report was issued on the 21st February, 2005 within three months of the petitioner's request which was made on 19th November, 2004.

The petitioner made a request for extension of one month to file his reply by a communication which was dated 15th July, 2005.

It is not disputed that the petitioner's reply dated 17th September, 2005 was within the period which was extended.

The respondents have relied on a second examination report dated 21st September, 2005 containing a second set of objections.

The interpretation of the statute in the manner in which it has been considered by the respondents would require it to be held that there is no provision for a second set of objections.

22. The respondents have placed reliance on the period which has been prescribed under Section 24(B)(4)(i) and (ii) which provide the period in which the applicant has to respond to the examination report and to remove the objections which have been pointed out therein.

23. It is noteworthy that the various steps which are provided under these rules relate to the procedural aspects of the matter. Section 14 of the statute is the substantive provision which provides for consideration of the report of the examiner by the Controller and reads thus:-

"14. Consideration of the report of examiner by

Controller: Where, in respect of an application for a patent, the report of the examiner received by the Controller is adverse to the applicant or requires any amendment of the application, the specification or other documents to ensure compliance with the provisions of this Act or of the rules made thereunder, the Controller, before proceeding to dispose of the application in accordance with the provisions hereinafter appearing, shall communicate as expeditiously as possible the gist of the objections to the applicant and shall, if so required by the applicant within the prescribed period, give him an opportunity of being heard."

24. Thus, it is the statutory mandate that when the report of the examiner received by the Collector is adverse to the applicant or requires any amendment to the application, the specification or other documents to ensure compliance with the provisions of the Act or the Rules framed thereunder, before proceeding to dispose of the application in accordance with the provisions of the statute, the Controller is required to communicate the gist of the objections and shall also afford him an opportunity of being heard.

25. It is an admitted position that no opportunity of such hearing was afforded to the petitioner either after the petitioner filed its response to the first examination report or after the second examination report. The action of the respondents therefore is rendered illegal for failure to comply with the specific statutory mandate of Section 14 of the Patents Act, 1970 and failure to abide by the principles of natural justice as statutorily envisaged.

26. It has been urged by the petitioner that the abandonment requires a conscious act on the part of the applicant which would manifest his expressed

intention to abandon the application and that there can be no presumption as has been drawn by the respondents in the facts of the instant case.

27. My attention has been drawn to the observations in ***Browning Manufacturing Co. Vs. Brothers Inc.*** 134 USPQ 231, wherein it was observed that the question of abandonment is fundamentally a question of intent, though express or implied by action or conduct. Abandonment is never presumed.

28. Akin to the provisions in the instant statute and the impact thereof, the Code of Civil Procedure was amended to prescribe the time limit within which a written statement was required to be filed under Order 8 Rule 1 of the Code of Civil Procedure after service of summons on the defendant.

29. In a pronouncement of the Apex Court reported at (2005) 4 SCC 480 ***Kailash Vs. Nanhku & Ors.***, it was held that Order 8 Rule 1 is a provision contained in the Code of Civil Procedure and belongs to the domain of procedural law. It was also noticed that the language of the provision was that although it appointed time within which the written statement has to be presented and also restricts the power of the court by employing language couched in a negative way that the extension of time appointed for filing the written statement was not to be later than 90 days from the date of service of summons. Yet, it did not itself provide for penal consequences to follow if the time schedule as laid down, is not observed.

The court cited with approval on the celebrated works of Justice G.P.

Singh in the titles "Principle of Statutory Interpretations" (9th Edition), 2004, wherein, while dealing with the mandatory and directory provisions, the learned author had observed thus:-

"The Study of numerous cases on this topic does not lead to formulation of any universal rule except this that language alone most often is not decisive, and regard must be had to the context, subject-matter and object of the statutory provision in question, in, determining whether the same is mandatory or directory. In an oft-quoted passage LORD CAMPBELL said: 'No universal rule can be laid down as to whether mandatory enactments shall be considered directory only or obligatory with an implied nullification for disobedience. It is the duty of Courts of justice to try to get at the real intention of the Legislature by carefully attending to the whole scope of the statute to be considered'." (p. 338)

"For ascertaining the real intention of the Legislature", points out SUEBARAO, J. "the court may consider *inter alia*, the nature and design of the statute, and the consequences which would follow from construing it the one way or the other; the impact of other provisions whereby the necessity of complying with the provisions in question is avoided; the circumstances, namely, that the statute provides for a contingency of the non-compliance with the provisions; the fact that the non-compliance with the provisions is or is not visited by some penalty; the serious or the trivial consequences, that flow therefrom; and above all, whether the object of the legislation will be defeated or furthered". If object of the enactment will be defeated by holding the same directory, it will be construed as mandatory, whereas if by holding it mandatory serious general inconvenience will be created to innocent persons without very much furthering the object of enactment, the same will be construed as directory." (pp. 339-340)

30. In *Kailash Vs. Nanku* (supra), the court also relied upon the principles laid down by the Apex Court in **(2002) 6 SCC 33 Topline Shoes Ltd. Vs.**

Corporation Bank, wherein a para materia provision contained in Section 13 of the Consumer Protection Act, 1986 had come up for consideration.

The court observed that the strong terms in which the provision was couched were an expression of 'desirability' but do not create any kind of substantive right in favour of the complainant by reason of delay to respond to the petition so as to debar the respondent from placing his version in any circumstances whatsoever.

31. The court inter alia declared that the object of the provision under Order 8 Rule 1 was to curb the mischief of unscrupulous defendants adopting dilatory tactics. The object was to expedite the hearing and not to scruttle the same. Therefore, while the process of justice may be speeded up and hurried but the fairness which is the basic element of justice cannot be permitted to be hurried. Certain observations of the Apex Court deserve to be considered in extenso rather than paraphrased and read thus:-

28. All the rules of procedure are the handmaid of justice. The language employed by the draftsman of processual law may be liberal or stringent, but the fact remains that the object of prescribing procedure is to advance the cause of justice. In an adversarial system, no party should ordinarily be denied the opportunity of participating in the process of justice dispensation. Unless compelled by express and specific language of the Statute, the provisions of the CPC or any other procedural enactment ought not to be construed in a manner which would leave the court helpless to meet extraordinary situations in the ends of justice. The observations made by Krishna Iyer, J. in *Sushil Kumar Sen v. State of Bihar*, are pertinent: (SCC p.777, paras 5-6)

"The mortality of justice at the hands of law troubles a

Judge's conscience and points an angry interrogation at the law reformer.

The processual law so dominates in certain systems as to overpower substantive rights and substantial justice. The humanist rule that procedure should be the handmaid, not the mistress, of legal justice compels consideration of vesting a residuary power in judges to act *ex debito justitiae* where the tragic sequel otherwise would be wholly inequitable. ... Justice is the goal of jurisprudence -- processual, as much as substantive."

29. In *The State of Punjab and Anr. v. Shamlal Murari and Anr.*, the Court approved in no unmistakable terms the approach of moderating into wholesome directions what is regarded as mandatory on the principle that: (SCC p. 720)

"Processual law is not to be a tyrant but a servant, not an obstruction but an aid to justice. Procedural prescriptions are the handmaid and not the mistress, a lubricant, not a resistant in the administration of justice." In *Ghanshyam Dass and Ors. v. Dominion of India and Ors.*, the Court reiterated the need for interpreting a part of the adjective law dealing with procedure alone in such a manner as to subserve and advance the cause of justice rather than to defeat it as all the laws of procedure are based on this principle.

30. It is also to be noted that though the power of the Court under the proviso appended to Rule 1 of Order VIII is circumscribed by the words -- "shall not be later than ninety days" but the consequences flowing from non-extension of time are not specifically provided though they may be read by necessary implication. Merely, because a provision of law is couched in a negative language implying mandatory character, the same is not without exceptions. The courts, when called upon to interpret the nature of the provision, may, keeping in view the entire context in which the provision came to be enacted, hold the same to be directory though worded in the negative form."

32. Following *Kailash Vs. Nanku* (supra), the Apex Court in the pronouncement reported at (2005) 6 SCC 705 *Smt. Rani Kusum Vs. Smt. Kanchan Devi and Ors.*, expanded the principles laid down thus:-

"10. All the rules of procedure are the handmaid of justice. The language employed by the draftsman of processual law may be liberal or stringent, but the fact remains that the object of prescribing procedure is to advance the cause of justice. In an adversarial system, no party should ordinarily be denied the opportunity of participating in the process of justice dispensation. Unless compelled by express and specific language of the statute, the provisions of CPC or any other procedural enactment ought not to be construed in a manner in which would leave the court helpless to meet extraordinary situations in the ends of justice.

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14. Processual law is not to be a tyrant but a servant, not an obstruction but an aid to justice. Procedural prescriptions are the handmaid and not the mistress, a lubricant, not a resistant in the administration of justice."

33. In the matter of procedural law, the Apex Court in *State of Punjab and Anr. v. Shamlal Murari and Anr. AIR 1976 S.C. 1977* was pleased to observe as under :-

"We must always remember that procedural law is not to be a tyrant but a servant not an obstruction but an aid to justice. It has been wisely observed that procedural prescriptions are the hand-maid and not the mistress, a lubricant, not a resistant in the administration of justice. Where the non-compliance, the procedural, will thwart fair hearing or prejudice doing of justice to parties, the rule is mandatory. But grammar apart, if the breach can be corrected without injury to a just disposal of the case. We should not enthrone a regulatory requirement into a dominant disderatum. After all, Courts are to do justice, not to wreck this end product on technicalities. Viewed in this

perspective, even what is regarded as mandatory traditionally may, perhaps, have to be moderated into wholesome directions to be complied with in time or in extended time."

34. In the case of **Laghu Udyog Bharati And Anr. v. Union of India and Ors.**, the Apex Court observed :-

"The rules, therefore, cannot be so framed which do not carry out the purpose of the chapter and cannot be in conflict with the same."

35. In **Additional District Magistrate (Rev) Delhi Admn. v. Sheo Ram and Ors.**, the Apex Court observed as under :-

"It is a well-recognised principle of interpretation of a statute that conferment of rule-making powers by an Act does not enable the rule-making authority to make a rule which travels beyond the scope of the enabling Act or which is inconsistent therewith or repugnant thereto. From the above discussion, we have no hesitation to hold that by amending the Rules and Form P-5, the rule-making authority has exceeded the power conferred on it by the Land Reforms Act."

36. It would be useful to consider certain para materia provisions in Trademarks Act, 1999. The Trademark Rules 2002 framed under the statutory provisions contain Rule 50 which is a provision for filing of evidence in support of an opposition to an application seeking registration of the trademark.

37. Sub-rule 1 of Rule 50 provide that within two months from the service of the copy of the counter statement or extendable by one month, the opponent shall leave with the registration such evidence by way of an affidavit

as he may desire to adduce in support of his opposition or shall intimate to the Registrar or the applicant in writing that he does not desire to adduce any such evidence but intends to rely on facts stated in the notice of opposition.

Sub-rule 2 of Rule 50 provided that if an opponent takes no action under sub-rule 1 of within the time mentioned therein, he shall be deemed to have abandoned his opposition.

38. This rule came up for interpretation before the High Court of Gujarat in the judgment reported at **2007 (34) PTC 1 Wyeth Holdings Corporation & Anr. Vs. Controller General of Patents, Designs and Trade Mark**. Placing reliance on the pronouncement of the Apex Court in **2006 (2) GLR 1312 Salem Advocate Bar Association, Tamil Nadu Vs. Union of India**, it was urged that the use of word 'shall' is ordinarily indicative of the mandatory nature of the provisions but having regard to the context in which it is used or having regard to the intention of the legislature, the same can be construed as directory.

The court brought into service the principle of 'harmonious construction' of statutory interpretation and held that sub-rule 2 of Rule 50 is directory.

It was observed that such interpretation would serve the interest of justice which interpretation would not take away the power of the Assistant Registrar to refuse extension of time in a given case.

The court also reiterated the settled proposition of law that the

provisions in subordinate legislation have to be in conformity with the provisions of the principal legislation.

39. A similar issue arose for consideration before the Full Bench of this court wherein the Full Bench was required to answer inter alia the question as to whether Rule 53(2) of the Trade and Merchandise Marks Rules, 1959 is directory or mandatory and whether the Registrar's power to extend the time for filing evidence in support of the opposition stands extinguished if an application for extension of time is not filed or extension is not granted before the expiry of the period of two months prescribed under Rule 53(1) of the Trade and Merchandise Marks Rules, 1959.

40. In the pronouncement reported at **2000 PTC 24 (FB)**, **Hasti Mal Jain Trading as Oswal Industries Vs. Registrar of Trade Marks**, the court laid down the principles thus:-

"19. We have considered the rival submissions and read the various Judgements. The determination of the questions raised would depend on whether Rule 53 (2) can be said to be mandatory or merely directory. Mere use of the word "shall" is not sufficient to treat the Rule as mandatory. Even though the word "shall" prima facie indicates that it is mandatory, still the Court must ascertain the real intention of the Legislature by looking to the Statute as a whole. It must also be remembered that a legal fiction cannot be stretched beyond the purpose for which it was enacted. As seen above the legal fiction is not absolute. It is limited by the word "unless the Registration otherwise directs". In our view it is significant that wherever the Legislature intended to prescribe a fixed time, which could not be extended, it has specifically so done. The necessary implication of this is that in all other cases the time was not to be fixed but one which would be within the power of the Registrar to extend. Undoubtedly the intention of the

Legislature was to minimise delays. For that fixed time is laid down in the Statute itself. However a reading of Section 21 itself shows that for procedural matters like filing evidence the Legislature was not laying down a fixed time in the Statute. This view is supported by a reading of Section 101 and Rule 106. Section 101 indicates that the only circumstance under which time cannot be extended by the Registrar is where a time has been expressly provided in the Act. Similarly, under Rule 106 the time can be extended by the Registrar, in all cases, except for the four, which have been mentioned in paragraph 14 above. It is all the more significant that Rules 53 (2) and Rule 54 have not been included in Rule 106. To interpret it otherwise would be to add in Rule 106 the words "or Rule 53". The Legislature has purposely omitted to do so. It is not possible to accept submission that Rule 53 gets incorporated in Section 21. If the Legislature wanted to provide a fixed term of two months in Section 21(4) as they have done in Section 21(1) and (2), they would have done so. This interpretation is also borne out by the fact that the deeming provision, in Rule 53 (2), comes into play only if the Registrar does not otherwise direct. The fact that the legal fiction is subject to the direction of the Registrar also shows that it is not absolute but is being controlled by discretion of Registrar. In our view Section 101 and Rule 106 permit the Registrar to extend time, even though the time has expired. To hold otherwise would be to negate the words to that effect used both in Section 101 as well as Rule 106. We are thus in agreement with the view expressed by the Bombay High Court and the Gujarat High Court. We disagree with the view expressed in the case reported in 1978 (3) PLR 148 and in the Order dated 30th January 1995 in C.M. (M) 59/95."

41. This being the position in law, it becomes necessary to examine the spirit and intendment of the statutory provisions. A Division Bench of the High Court of Bombay had occasion to consider the issue raised before this court in the context of interpretation of Section 21 of the Trade Marks Act, 1991 which prescribes the time period for filing opposition to registration and

Rule 47(6) of the Trade Mark Rules 2002 which enabled extension of time for filing application for opposition. In the judgment reported at **2006 (33) PTC 321 (Bom.) Sardar Gurudas Singh Bedi vs. Union of India & Others**, the court observed that the object of the opposition was to maintain the purity of the register so that the public should know whose goods they are buying and with whom the particular goods are associated. It was essential that the register should not contain any trademark which is identical or which so closely resembles each other, that an unwary purchaser may be likely to be deceived into believing that he is buying the goods of a particular person whereas he is in fact buying the goods of another person. It is this object which is to be borne in mind while interpreting the provisions so as to maintain the purity of the register.

On this basis, the court held that:-

“...in matters of procedural law courts should normally read the provisions as directory and the rule should sub serve the object of the Act and not defeat it or in other words be in conflict and travel beyond the scope of the enabling Act. In an exercise in subordinate legislation, it is not open to the delegate conferred with power to make subordinate legislation, to make a rule which would be inconsistent or contrary to the provisions of the principal Act itself. If there be a purported conflict in interpretation, to save the rule it is, possible for the court to read down the rule to make it in conformity with the provisions of the substantive law. Bearing this principle in mind, let us consider the issue as framed. Is Rule 47(6) in conformity with Section 21 and if it be in conflict, whether it can be read down to make it in conformity with the mandate of Section 21.

8. The power conferred to file opposition to

registration is not merely to the person who is the proprietor of the mark or claims interest in the mark. The expression 'any person' has to be given a wider meaning. As the object of the opposition is to maintain the purity of the register, Shavaksha in The Trade and Merchandise Marks Act, 1958, Third edition, has observed as under:

The object of maintaining a trade mark register is that the public should know whose goods they are buying and with whom the particular goods are associated. It is, therefore, essential that the register should not contain trade marks which are identical, or which so closely resemble each other, than an unwary purchaser may be likely to be deceived into thinking that he is buying the goods of a particular person whereas he is in fact buying goods of another.

It is therefore, essential that the register should not contain any trade mark which is identical or which so closely resembles to each other, that the common purchaser may be likely to be deceived by believing that he is buying the goods of a particular person whereas he is in fact buying the goods of another person. That being the object, the court while interpreting the provisions must bear that in mind so as to maintain the purity of the Register.

The expression "any person" would have to be given wider meaning to include even a consumer and not necessarily the proprietor or person having interest in the mark. If this is so understood, then the object behind Section 21 manifests itself. The ordinary period for a person to file an objection would be three months. The period for extension of time on reading of Section 21 of the Act could be before the expiry of the period of three months or can be even after the expiry of three months. At the first blush considering the expression "within such further period" it would appear that granting extension of time of one month in aggregate can only be before the expiry of the period. If it is so read, then the time to file objection will have to be before the expiry of three months and the discretion in the Registrar to extend time is only before the expiry of three months. The rule as framed, if the construction is accepted, will be intra vires Section 21. The rule so read would mean that only a class of persons who had knowledge or were vigilant of the publication

before the expiry of the period of three months, can alone apply for extension. The other class of persons whose attention is drawn after the expiry of three months, even by a day or though aware for reasons beyond their control, will be barred from filing their opposition, however sufficient their cause. Rule 47(6) as now framed is couched in the same language as Rule 51(3) under the Rules of 1959. The said rule was omitted by S.O. 397 dated 23rd July, 1969. In other words, the delegate entrusted to make the rules, itself found that the rule was acting harshly and or oppressive and not in conformity with the object of the Act. The language of Section 21 in the Act of 1958 and Act of 1999 is substantially the same. If that be the position, the question is, what is that made the delegate frame a rule similar in language to a rule which was omitted. No explanation has come from the Respondents. The section uses the word three months and such further time of one month. That period can also be beyond three months. It would therefore have to be held that the power in the Registrar to extend the period, can be before the period of three months has expired, as also even after the period of three months has expired. In such event, the expression one month in aggregate will have to be read to mean also on the expiry of the period of three months. The discretion in the registrar therefore, to extent the time would also be on the expiry of the period of three months. It is not as if the Registrar is bound to give a period of one month. It is open to the Registrar considering the facts of the matter, to give such additional period and if discretion is to be exercised to extend time, then to grant such time, so that it does not exceed in the aggregate one month. This is how the delegate, understood the law when Rule 51(3) was omitted in 1969, in the rules of 1959. The period of one month in aggregate therefore, in Section 21, will have to be read to mean aggregate of one month even on the expiry of the period of three months."

It would be useful to advert to the judicial pronouncement of this court wherein the issue as to whether the requirement of making an application under Section 269 UC of the Income Tax Act was mandatory or directory. It

is noteworthy that failure to comply with this statutory provision provided for penal consequences and prescription. The compliance was to be effected strictly in terms of the period prescribed under the rules. In this case, the court held that Chapter XX-C of the Income Tax Act, 1961, is not in any manner intended to prohibit or even regulate the right to transfer immovable properties under the general law. The provisions have been introduced solely for the purpose of guarding the economic interest of the State and the welfare of the society which is held to ransom on account of black money entering the economy. Only so much restrictions are to be read, interpreted and applied with caution as would enable the object behind the enactment of Chapter XX-C being achieved. Else the provisions of Chapter XX-C may amount to an unreasonable and arbitrary encroachment on the rights of the citizens to enter into transactions relating to immovable property having no nexus with the object sought to be achieved and hence would be violative of Article 14 of the Constitution. The judgment of the Division Bench was reported at **1999 (236) ITR 793 Ansal Properties & Industries Limited vs. Appropriate Authority & Ors.**

Upon a consideration as to whether the time for submitting agreement in Form 37-I was mandatory or directory, the court held thus:-

“The time of fifteen days as appointed by rule 48L is directory and not mandatory. This we say for many reasons. The law nowhere provides that in the absence of the proforma agreement being drawn up pursuant to the private agreement between the parties or the same having

not been filed before the appropriate authority or the same having been rejected, the private agreement (oral or in writing) as entered into between the parties is rendered void or stands vitiated in any manner whatsoever. On the general law relating to transfer of property as contained in the Transfer of the Income Tax Act and the Contract Act, etc., the provisions of Chapter XX-C of the Income Tax Act can make an inroad only to the extent specifically provided for and not beyond. The only penalty which the parties to a private agreement suffer by not complying with the provisions of Chapter XX-C where its applicability is attracted is that a deed of transfer pursuant to the agreement should not be registered. However, the rights and obligations incurred by the parties to a private agreement do not fall to the ground and are not avoided.

Look at it from the point of view of securing a specific performance of a contract for sale through a court of law. The parties having entered into an agreement, one of them may renege from the contract and may not agree to the proforma agreement being filed before the appropriate authority. The party in breach may be sued by the other party in a court of law and having been successful may have a decree for specific performance of the contract for sale. By that time a period of years and months, much beyond the period of 15 days, may have rolled by. If the period of 15 days was to be calculated from the date of the agreement or the period of 15 days was to be held mandatory then the said period having expired, compliance with Chapter XX-C would never be secured. The decree would be rendered a waste piece of paper. The Registrar of Deeds would not register the document executed in execution of the decree. On the other hand, if the period of 15 days has to be calculated from the date of the proforma agreement being drawn up then on the decree for specific performance having been passed, on behalf of the JD the proforma agreement shall be signed by the person authorised to act on behalf of the JD and compliance with Chapter XX-C shall be secured, also, the decree will be successfully executed. Any other interpretation would result in the valuable right of specific performance of a contract for sale of immovable property being defeated; a situation which leads to

anomaly and certainly not contemplated by law.

There is no res judicata so far as filing of Form No. 37-I is concerned. One form having been rejected, another could be filed so long as the parties are agreeable with each other and are prepared to honour agreement. If a new agreement could be entered into by the parties and filed before the appropriate authority within 15 days from the date of entering into thereof why not permit an agreement already entered into being filed, though beyond 15 days.

A mere delay in filing Form No. 37-I does not defeat the object sought to be achieved by filing thereof. On the other hand, the object is fulfilled. Excluding Form No. 37-I from consideration on the ground of delay would result in the transaction for transfer of immovable property being excluded from the tax net and considered by the appropriate authority. On the other hand, if the form is permitted to be filed even with delay the object sought to be achieved by Chapter XX-C is fulfilled. The delay does not make a difference. The prescribed limitation of 15 days is, therefore, directory."

42. In the instant case, the second examination report has been made available to the petitioner long after the period prescribed under Section 12 of the statute for issuance of the examination report is over.

It is an admitted position that the objections which have been notified in the communication dated 21st September, 2005 were new and technical objections.

43. The petitioner has contended that these objections including those raised under Section 3(K) of the Act were raised for the first time and required proper technical responses which could not have been given casually. Counsel required consultation with the petitioner on the responses which have to be submitted thereto.

44. It is further urged that no action rejecting any application or accepting the objections or the examination reports could have been taken without compliance of Section 14 and affording a hearing to the petitioner. There is therefore substance in the contentions of the petitioner and the order was sustainable for failure to comply with the statutory mandate.

45. Even otherwise, the Rules prescribed that under Rule 24(B)(4)(ii), the petitioner would have been entitled to request for a period of three months for removing the objections.

The petitioner requested for grant of one month which was granted to him. This extended period was expiring on 21st September, 2005. So far as the statutory scheme was concerned, the petitioner had still available to it the period of two months within the extendable period. Therefore, for this reason as well, the action of the respondents in treating the petitioner's application for grant of patent as having been deemed to have been abandoned on the 21st September, 2005 is unjustified and unwarranted.

46. In view of the above discussion, it has to be held that having regard to the spirit, intendment and purpose of the statute, the requirement of Rule 24(B)(4)(i) and (ii) and the time stipulation therein is directory and is not mandatory.

47. Even otherwise, Rule 13S has to be understood as it existed at the relevant time and reads thus:-

"13S. Power to extend time prescribed: (1) Save as

otherwise provided in the rules 24, 55 and 80(1)(A), the time prescribed by these rules for doing of any act or the taking of any proceeding thereunder may be extended by the Controller for a period of one month, if he thinks it fit to do so and upon such terms as he may direct.
(2) Any request for extension of time made under these rules shall be made before the expiry of the prescribed period."

Therefore, the Controller is adequately empowered to extend the time for a period of one month if fit to do so and upon such terms as may be directed. The only exception which has been provided to exercise of this power is contained in the rule itself which has clearly provided that the extension is restricted to rules 24, 55 and 80(1)(A).

48. Rule 24 relates to publication of an application and prescribes the period of 18 months for which the application would not be open to the public.

Rule 55 provides the period within which opposition by representation against grant of the patent is to be effected while Rule 80(1)(A) provides the period for payment of renewal fees.

There is no reference to the prescription under Rule 24(B)(i) and (ii). Therefore, it has to be held that even otherwise Rule 138 would adequately empower the Controller to extend the period for doing of any act or taking of any proceedings within further period of one month in addition to the period prescribed under the other rules.

49. Even otherwise, there is no evidence that the petitioner has failed to take action within the period prescribed. The request for the examination was made within the statutory period. The petitioner asked for only one month's extension of time for making its response by a communication submitted as

back as on 15th July, 2005. Such communication was addressed well in time inasmuch as the period was expired on 21st August, 2005.

50. The petitioner filed its response on the 17th September, 2005 to the first examination report. In this background, it certainly cannot be contended or held that on 21st September, 2005, the petitioner would be deemed to have abandoned its application for the reason of non-response to a communication of the same date which had not even been served upon the petitioner.

In any case, the petitioner having submitted the reply barely four days before, it is most unreasonable to hold that there was anything which could lead to the conclusion that there was deemed abandonment of the petitioner's application four days later.

51. Mr. J.P. Sengh, learned counsel for the respondents has contended at length that the petitioner has admitted that in furtherance of the letter dated 17th September, 2005, its agent went to the office of the respondent no. 2 on 21st September, 2005 in order to defend its application and address all outstanding objections as raised in the first examination report of 21st February, 2005.

52. I find that the writ petitioner has contended that despite discussion with the respondent no. 2 on 21st September, 2005 meeting all the objections as contained in the first examination report, the letter was sent to the petitioner's agent on 21st September, 2005 which was only received by him on 24th September, 2005.

The petitioner has contended on affidavit that no further objection was communicated to the petitioner's agent despite its physical presence there on the 21st of September, 2005.

53. The submission on behalf of the respondents is that the petitioner or its agent ought to have volunteered to respond to the second examination report when they were present in the office of the respondent no. 2.

54. This would certainly have been possible if the petitioner or its agent were aware of the second examination report and the further objections. The respondents have not urged that the second examination report was made available to the petitioner or its agent on the 21st of September, 2005.

55. This discussion would be incomplete without referring to the discretionary powers of the Controller provided in Section 80 of the Patents Act, 1970 which reads so :-

"Section 80 – Exercise of discretionary powers by Controller
Without prejudice to any provision contained in this Act requiring the Controller to hear any party to the proceedings thereunder or to give any such party an opportunity to be heard, the Controller shall give to any applicant for a patent, or for amendment of a specification (if within the prescribed time the applicant so requires) an opportunity to be heard before exercising adversely to the applicant any discretion vested in the Controller by or under this Act .

[Provided that the party desiring a hearing makes the request for such hearing to the Controller at least ten days in advance of the expiry of the time-limit specified in respect of the proceeding.]"

Therefore, the petitioner could have asked for a hearing which the

Controller would have been statutorily required to grant. Such opportunity could have been asked for upon receipt of the first examination report or even after the receipt of the second examination report. However, from the schedule set down by the respondent and the manner in which the respondents have proceeded, there was just no occasion for the petitioner to exercise such option.

56. Rule 129 of the Patents Rules, 2003 was inserted by the Patents (Amendment) Act, 2002 dated 25th June, 2002 with effect from the 20th of May, 2003 which provides thus :-

“129. Exercise of discretionary power by the controller – Before exercising any discretionary power under the Act or these rules which is likely to affect an applicant for a patent or a party to a proceeding adversely, the controller shall give such applicant or party, a hearing, after giving him or them, ten days notice of such hearing ordinarily.”

This statutory rule casts a duty on the Controller to give a hearing to an applicant, before exercising any discretionary power, which was likely to affect an applicant for a patent adversely.

57. The petitioner has been deprived of these opportunities as well before taking the adverse action against the petitioner.

58. From the facts noticed hereinabove, under Rule 24B(4)(ii), the petitioner could have asked for an extension of time for a period of a month at a time till a total period of three months expired i.e. till 21st November, 2005. Certainly to treat the petitioner's application as having been deemed to have

been abandoned on 21st of September, 2005 was wholly unwarranted and improper.

For all these reasons, this writ petition deserves to be allowed.

The communication dated 21st September, 2005 issued by the office of the respondent no. 2 to the extent that the same results in deemed abandonment of the petitioner's application is hereby set aside and quashed.

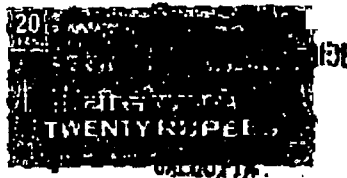
The petitioner is permitted to submit its reply to the objections pointed out by the respondents in the communication dated 21st September, 2005 within four weeks from the passing of this judgment.

The respondents shall furnish appropriate opportunity to the petitioner, both written as well as by oral hearing, in accordance with the statutory mandate and thereafter proceed to pass appropriate orders on the petitioner's application seeking grant of the patent.

This writ petition is allowed in the above terms.

GITA MITTAL
(JUDGE)

February 25, 2008
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ID 7/95

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11/8/03

42-2011/2007

A.I.D.No. 7 of 1998.

In the High Court at Calcutta

Special Jurisdiction

Original Side

Presents:

The Hon'ble Justice

Sukhro Kamal Mukherjee.

August 1, 2003.

Philips Electronics N.V. ... Appellant

Vs.

Controller of Patents & Designs & Ors. ... Respondents.

For appellant: Mr. Sudipta Sarkar

Mr. Aniruddha Bose

Mr. A. Dutta.

For respondents: Mr. I.P. Mukherjee

Heard on: July 11, 2003

Judgment on: August 1, 2003.

Sukhro Kamal Mukherjee, J.: This is an appeal against an order dated March 27, 1998 concerning an application for patent being no. 218/Cal/95 dated March 1, 1995.

On May 26, 1990 the appellant through its patent agent and constituted attorney filed an application for Patent. The said application was examined by the Examiner of Patents and Designs attached to the office of the respondentho. 1 and objections were raised on the ground of plurality of invention.

On March 1, 1995 the said agent of the petitioner filed two divisional applications in respect of the invention disclosed in the specifications already filed in the patent office in connection with the earlier application and the said applications were registered in

the office of the respondents being nos. 217/Cal/95 and 218/Cal/95.

In this matter I am concerned with the application for patent being no. 218/Cal/95.

On July 13, 1995 an application for amendment of the said application for patent was filed.

On August 29, 1996 the Examiner of Patents attached to the office of the Controller of Patents and Designs returned the specifications and drawings for amendment pointing out certain defects. It was, further, contended that unless all the requirements under the said Act and the Rules framed thereunder were complied with within 15 (fifteen) months from the date of the said statement, the application would be deemed to have been abandoned.

On February 5, 1997 the agent of the appellant forwarded certain documents for the consideration of the Controller of Patents and Designs and requested him to accept the prayer of the appellant.

On February 27, 1998 the Examiner of Patents and Designs informed the agent of the appellant that the claim of the appellant did not sufficiently define the invention.

By a letter dated February 27, 1998 the agent of the appellant duly dealt with the objections raised by the respondents. The said letter dated February 27, 1998 issued by the agent of the appellant has been annexed as annexure 'I' at page 202 of the present application.

However, on March 27, 1998 the respondent no. 3, on behalf of the respondent no. 1, informed the agent of the appellant that the application filed by the appellant was not put in order for acceptance within the time stipulated in section 21 of the said Act and ~~hence~~ the said application has become deemed to have been abandoned under the provisions of the section 21 of the said Act and that no further action on the same

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could be taken.

Being aggrieved the appellant has come up before this court.

The main contention on behalf of the appellant was that the authorities concerned took the decision mechanically and without any application of mind inasmuch as the order impugned contents no reason for rejection of the application filed by the appellant.

Mr. I.F. Mukherjee, learned advocate, appearing on behalf of the respondents, submitted that this appeal is incompetent inasmuch as the order impugned has been passed under section 21 of the Patents Act, 1970 and there is no provision under the said Act for filing of an appeal against an order passed under the said section 21 of the said Act.

This appeal is directed against an order dated March 27, 1998 and has been filed in this court on June 23, 1998. Therefore, this appeal is to be dealt with under the provisions of the Patents Act, 1970 as it stood prior to amendment of the said Act by the Patents (Amendment) Act, 2002.

Section 6 of the said Act described the persons, who were entitled to apply for patents and section 7 of the said Act prescribed the form of such application. Under section 12 of the said Act the applications and the specifications relating thereto were to be examined by an examiner for making a report to the Controller in respect of certain matters. Under section 15 of the said Act where the Controller was satisfied that the application or any specification filed in pursuance thereof did not comply with the requirement of the said Act or of any Rules made thereunder, the Controller might either refuse to proceed with the application or required the application, specification or drawing to be amended to his satisfaction before he could proceed further with the application. Under section 21 the time for putting the application in order for acceptance has been prescribed.

In my view, it is necessary to quote the provisions of sections 15 and 21 as they stood prior to the amendment of the said Act by the Patents (Amendment) Act, 2002.

"15. Power of Controller to refuse or require amended applications in certain cases (1) Where the Controller is satisfied that the application or any specification filed in pursuance thereof does not comply with the requirements of this Act or of any rules made thereunder, the Controller may either:

- (a) refuse to proceed with the application; or
- (b) require the application, specification or drawings to be amended to his satisfaction before he proceeds with the application;

(2) If it appears to the Controller that the invention claimed in the specification is not an invention within the meaning of or is not patentable under this Act, he shall refuse the application.

(3) If it appears to the Controller that any invention, in respect of which an application for a patent is made, might be used in any manner contrary to law, he may refuse the application, unless the specification is amended by the insertion of such disclaimer in respect of that use of the invention, or such other reference to the illegality thereof as the controller thinks fit."

"21. Time for putting application in order for acceptance

(1) An application for a patent shall be deemed to have been abandoned unless within fifteen months from the date on which the first statement of objections to the application or complete specification is forwarded by the Controller to the applicant or within such longer period as may be allowed under the following provisions of this section the applicant has complied with all the requirements imposed on him by or under this Act, whether in connection with the complete specification or otherwise in relation to the application.

Explanation - Where the application or any specification or, in the case of a convention application, any document filed as part of the application has been returned to the applicant by the Controller in the course of the proceedings, the applicant shall not be deemed to have complied with such requirements unless and until he has refiled it.

(2) The period of fifteen months specified in sub-section (1) shall, on request made by the applicant in the prescribed manner and before the expiration of the period so specified, be extended for a further period so requested (hereafter in this section referred to as the extended period), so, however, that the total period for complying with the requirements of the Controller does not exceed eighteen months from the date on which the objection referred to in sub-section (1) are forwarded to the applicant.

(3) If at the expiration of the period of fifteen months specified in sub-section (1) or the extended period .

(a) an appeal to the High Court is pending in respect of the application for the patent for the main invention, or

(b) in the case of an application for a patent of addition, an appeal to the High Court is pending in respect of either that application or the application for the main invention,

the time within which the requirements of the Controller shall be complied with shall, on an application made by the applicant before the expiration of the said period of fifteen months or the extended period, as the case may be, be extended until such date as the High Court may determine.

(4) If the time within which the appeal mentioned in sub-section (3) may be instituted has not expired, the Controller may extend the period of fifteen months, or as the case may be, the extended period, until the expiration of such further period as he may determine.

Provided that if an appeal has been filed during the said further period, and the High Court has granted any extension of time for complying with the requirements of the Controller, then, the requirements may be complied with within the time granted by the Court."

In this case the Controller upon receiving a report from the examiner attached with his office found that the application was not in order. He, therefore, directed amendment of the application before

proceeding further with the said application. The office of the Controller of Patents and Designs on February 27, 1998 again raised certain objections concerning the application filed by the appellant. The agent of the appellant in his letter dated February 27, 1998 duly dealt with the objections raised by the office of the Controller of Patents and Designs. I have already indicated herein above that the said letter of the agent of the appellant has been annexed as annexure 'I' to the present application.

Unfortunately, the order dated March 27, 1998 contents no reason to show that the said order has been passed upon proper application of the mind inasmuch as it does not appear from the order impugned that the authority concerned considered the clarifications given by the agent of the appellant in the letter dated February 27, 1998.

I am unable to accept the contentions of Mr. Mukherjee that the appeal is not maintainable. The Controller did not refuse to proceed with the application, but required the applicant to amend the application to the satisfaction of the Controller so that the Controller could proceed further with the application. Section 21 provided for the time to put in the application in order. The agent of the appellant on February 27, 1998 tried to explain the objections raised by the office of the respondent no.1. The impugned order has been passed without considering such explanations offered by the agent of the appellant. The respondent no. 1 by the order impugned refused to proceed further with the application. In my view, the order impugned is appealable under section 110 of the said Act.

The Supreme Court of India in the case of Maharashtra State Board of Secondary and Higher Secondary Education vs. K.S. Gandhi and others reported in (1991) 2 SCC 716 observed as under.

"Thus it is settled law that the reasons are harbinger between the mind of the maker of the order to the controversy in question and the decision or conclusion arrived at. It also excludes the chances to reach arbitrary, whimsical or capricious decision or conclusion. The reasons

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assure an inbuilt support to the conclusion/decision reached. The order when it affects the right of a citizen or a person, irrespective of the fact, whether it is quasi-judicial or administrative fair play requires recording of germane and relevant precise reasons. The recording of reasons is also an assurance that the authority concerned consciously applied its mind to the facts on record. It also aids the appellate or revisional authority or the supervisory jurisdiction of the High Court under Article 226 or the appellate jurisdiction of this Court under Article 136, to see whether the authority concerned acted fairly and justly to mete out justice to the aggrieved person."

Since the order has been passed without recording any reason showing application of mind by the authority concerned, I set aside the order impugned and remit the matter back to the Controller of Patents and Designs for decision afresh in accordance with law. The Controller to give an opportunity of hearing to the appellant or its agent and of Patents and Designs is directed to pass a reasoned and speaking order in this behalf within two months from the date of communication of this order to him.

By way of abundant caution I make it clear that I have no occasion to go into the merits of the claims and the counter claims of the part and all points are kept open to be decided by the Controller of Patent and Designs in accordance with law and on merits.

The appeal is, thus, allowed.

I make no order as to costs.

Xerox certified copy of this judgment and order, if applied for, is to be supplied expeditiously.

Sudhro Kamal Mukherjee

(Sudhro Kamal Mukherjee, J.)

Later,

After the judgment and order is pronounced, Mr. Mukherjee, appearing for the respondents, prays for stay of the operation of the

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said judgment and order. Such prayer is considered and is rejected.

Subhro Kamal Mukherjee
(Subhro Kamal Mukherjee, J.)

I hereby certify that this is a true copy
of the original in my custody
Dated this 20th day of November 2007
For Registrar of the High Court of Judicature
at Calcutta
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20/11/07

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order was completed 18/8/2003
 Date when copy was made 15/11/07
 Date when copy was made 16/11/07
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 Date when copy was made 16/11/07
 Date when copy was made 20/11/07
 Date when delivery was 20/11/07
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 Date when the copy by the 16/11/07

Deputy Registrar,
 Copyright Department,
 High Court, O.S.
 83
 20/11/07

A.I.D.No. 7 of 1998

In the High Court at Calcutta

Special Jurisdiction

Original Side

Philips Electronics N.V.

Versus

Controller of Patents & Designs & Ors

Judgment delivered by the Hon'ble
 Mr. Justice Subhro Kamal Mukherjee
 this 1st day of August, 2003.

Filed this 19th day of Aug., 2003.

Assistant Registrar

Victor Alcega & Co.