

(2010) 02 BOM CK 0109

Bombay High Court

Case No: Writ Petition No. 1435 of 2007

Universidad Politecnica De
Valencia Centro de transferencia
de tecnologica-CTT.

APPELLANT

Vs

Union of India (UOI) and The
Asst. Controller of Patents

RESPONDENT

Date of Decision: Feb. 26, 2010

Acts Referred:

- Patents Act, 1970 - Section 13, 13(1), 14, 21, 21(1)
- Patents Rules, 2003 - Rule 129, 137, 28, 28(2), 28(3)

Citation: (2010) 44 PTC 184

Hon'ble Judges: Ferdino I. Rebello, J; A.R. Joshi, J

Bench: Division Bench

Advocate: Virendra V. Tulzapurkar, Amit Jamsandekar and R. Gajaria, instructed by Gajaria and Co, for the Appellant; A.M. Sethna and M.S. Bharadwaj, for the Respondent

Judgement

Ferdino I. Rebello, J.

Rule. By consent of parties as pleadings are complete heard forthwith.

2. The petitioner filed Patent Application dated October 16, 2002 in the office of the Respondent No. 3 which was numbered IN/PCT/2002/00424/MUM. The said application claimed priority from Spanish Patent Application No. P200001102 dated April, 19, 2000. Thereafter in accordance with law a request for examination was filed in Form 18 dated March 15, 2005 along with the prescribed official fee which was taken on record by the respondent No. 3. The said application was consequently examined by Respondent No. 3 and the first examination report (hereinafter referred as FER) was issued on June 15, 2005.

According to the petitioner as per the law prevailing at that time the normal date for placing the application in order for grant was December 15, 2006. The FER contained

the objections raised by Respondent No. 3. A considered reply was filed on November 25, 2005. In the application it further set out that no adverse action be taken without giving to the applicant at least 10 days opportunity in advance of being heard. According to the petitioner the examiner Respondent No. 3 herein, Mr. Harish Chandran, issued a further official action a day prior to the expiry of the normal date for placing the application in order for grant vide letter dated December 13, 2005. There were some other objections. As the further official action was at the last minute and as the petitioner was based abroad the petitioner was not in a position to file a response by the normal date i.e. December 15, 2005. Consequently on December 14, 2005 the petitioner filed a request in Form 4 for 3 months extension of time for placing the application in order for grant. Time was granted and after perusal of the objections raised by the examiner the response was filed on January 4, 2006. Once again the petitioner made a request for hearing/discussion with the concerned examiner before any adverse decision was taken in the matter. The examiner the respondent No. 3 issued a further official action on January 24, 2006 containing some other objections. It is also intimated therein that the last date for putting the application would expire on 12th March, 2006. The petitioner in response filed official action along with detailed objections with respondent No. 3 to grant official hearing prior to any adverse action. The response is dated March 3, 2006 and received in the office of respondent No. 3 on March 6, 2006. There was some exchange of correspondence.

3. The petitioner received an order dated September, 12, 2006 from respondent No. 3 informing that the said application was deemed to have been abandoned u/s 21(1) of The Patents Act, 1970, (hereinafter referred to as the Patent Act), for not meeting the requirements as set out in the order. The petitioner wrote to respondent No. 3 in October 11, 2006 pointing out that the case was discussed after response was filed on March 3, 2006 and necessary amendment/retyping was carried out. Various other contentions raised are contained in the letter of October 11, 2006. According to the petitioner the objection as raised by the respondent No. 3 are vague and did not indicate as to how the claims do not define any invention or how the inventive features of the invention are not brought out clearly especially when there are corresponding grants in other jurisdictions which follow the same canons of patent ability. According to the petitioners they were entitled to receive clear objections so as to respond in an appropriate manner. The submission is that the objections are only concerned with clarity of the words and Sections 3 and 4 of the Patents Act, 1970 have not been invoked. The issue of clarity is curable and not a fatal error.

4. The petitioner after seeking advise, filed a Review Petition against the order dated 6th September, 2006 which was filed on October 11, 2006. The Review Petition was summarily rejected and the petitioners were informed by letter dated November 28, 2006. The petitioners were not given any opportunity According to the petitioner the Respondent No. 3 was functioning in a quasi judicial capacity and as such it was incumbent on Respondent No. 3 apart from giving a hearing to the petitioner, to

render a speaking and reasoned decision based on justifiable and cogent grounds as opposed to passing an order in an administrative and mechanical manner without application of mind.

5. The petitioner has relied on the Act, Rules and Regulations in support of their contention as to why the impugned orders dated September 12, 2006 and November 28, 2006 on the Review Application are without jurisdiction and/or amounting to failure to exercise jurisdiction and consequently they be set aside and the petitioner be given an opportunity of being heard or in the review petition by setting aside that order.

6. Reply has been filed on behalf of respondent Nos. 1 to 3 . The first reply is dated 9th October, 2007 and filed by Shri A.T. Patre, Assistant Controller of Patents & Designs. In the reply it is contended that the subject matter relates to the provisions of Sections 21 and 80 of the Patents Act as also Rules 28, 28A, 29, 30 as also Rules 129 and 137 of the Rules framed under the Patents Act. It is set out that the Petitioner requested for extension of time on December, 15, 2005 which request was accepted and time limit to lodge the application to meet the requirement was extended for three months. The last date for making application became March 15, 2006 and as such the Controller has exercised his discretionary jurisdiction. It is further pointed out that the reply to the final objections and reasons for hearing was made by the petitioner on March 6, 2006, but it is not before 10 days of the last date and hence as per Section 80 it was not obligatory on the part of the Controller to give personal hearing.

7. A rejoinder has been filed on behalf of the Petitioner. In the rejoinder reliance is placed on various orders passed by this Court whereby similar orders as passed by the respondent No. 3, were the subject matter and had come up for consideration and this Court has set aside the orders with a direction that the petitioner be heard in the matter. Reliance was placed on the judgment in the case of Intel Corporation v. Union of India and Ors. Writ Petition No. 368 of 2007 decided on 26th April, 2007 where this Court set aside the order on the ground that opportunity was not given to the petitioner. Reliance was also placed on the judgment dated 26th April, 2007 in Writ Petition No. 228 of 2007 Teijin Limited v. Union of India, where this Court noted that proper hearing and opportunity was not given and accordingly set aside the order. Similarly reliance was placed on the judgment in Novo Nordisk A/S. v. Union of India and Ors. in Writ Petition No. 2105 of 2006 and other Petitions which were disposed of by order dated 5th July, 2007 relying on the judgment in Teijin Limited (supra). It is clarified that the last response was dispatched on March 3, 2006 and received in the office of the respondent No. 3 on March 6, 2006. The final date for filing response was on March 15, 2006 and consequently it was within the prescribed period of 10 days. At any rate it is submitted that the Controller had failed to exercise jurisdiction by not giving a hearing to the petitioner.

8. Considering the above, the first question that arises for our consideration is whether the action of Respondent No. 3 in denying to the petitioner a hearing on the ground that the request for hearing was not made before 10 days of the last date is within jurisdiction. Secondly, could the Revision Application be decided without giving an opportunity to the petitioner.

9. To answer the first issue we may refer to some of the provisions of the Act. Sections 21 and 80 of the Patents Act, read as under:

21. Time for putting application in order for acceptance. (1) An application for a patent shall be deemed to have been abandoned unless, within such period as may be prescribed, the applicant has complied with the requirements imposed on him by or under this Act, whether in connection with the complete specification or otherwise in relation to the application from the date on which the first statement of objections to the application or complete specification or other documents related thereto is forwarded to the applicant by the Controller.

Explanation.-Where the application for a patent or any specification or, in the case of a convention application or an application filed under the Patent Cooperation Treaty designating India 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 re-filed it or the applicant proves to the satisfaction of the Controller that for the reasons beyond his control such document could not be re-filed.

(2) If at the expiration of the period as prescribed under Sub-section (1)--

(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 period as prescribed under Sub-section (1), be extended until such date as the High Court may determine.

(3) If the time within which the appeal mentioned in Sub-section (2) may be instituted has not expired, the Controller may extend the period as prescribed under Sub-section (1), to 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.

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 there under 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 proceedings.

10. Similarly Rules have been framed which are known as the Patent Rules 2003 which hereinafter shall be referred to as the Rules. We may refer to Rules 28(1) to (3) which reads as follows:

28 Procedure in case of anticipation by prior publication.-- (1) If the Controller is satisfied after investigation u/s 13 that the invention so far as claimed in any claim of the complete specification has been published in any specification or other document referred to in Clause (a) of Sub-section (1) or Sub-section (2) of the said section, the Controller shall communicate the gist of specific objections and the basis thereof to the applicant and the applicant shall be afforded an opportunity to amend his specification.

(2) If the applicant contests any of the objections communicated to him by the Controller under Sub-rule (1), or if he refills his specification along with his observations as to whether or not the specification is to be amended, he shall be given an opportunity to be heard in the matter if he so requests:

Provided that such request shall be made on a date earlier than ten days of the final date of the period referred to under Sub-section (1) of Section 21: Provided further that a request for hearing may be allowed to be filed within such shorter period as the Controller may deem fit in the circumstances of the case.

(3) If the applicant requests for a hearing under Sub-rule (2) within a period of one month from the date of communication of the gist of objections or, the Controller, considers it desirable to do so, whether or not the applicant has refilled his application, he shall forthwith fix a date and time for hearing having regard to the period remaining for putting the application in order or to the other circumstances of the case.

28A. Procedure in relation to consideration of report of examiner u/s 14.-- In case the applicant contests any of the objections communicated to him, the procedure specified under Rule 28 may apply.

29. Procedure in case of anticipation by prior claiming.-- (1) When it is found that the invention so far as claimed in any claim of the complete specification, is claimed in any claim of any other specification falling within Clause (b) of Sub-section (1) of

Section 13, the applicant shall be so informed and shall be afforded an opportunity to amend his specification.

(2) If the applicant's specification is otherwise in order for grant and an objection under Clause (b) of Sub-section (1) of Section 13 is outstanding, the Controller may postpone the grant of patent and allow a period of two months for removing the objection.

30. Amendment of the complete specification in case of anticipation.-- (1) If the applicant so requests at any time, or if the Controller is satisfied that the objection has not been removed within the period referred to in Sub-clause (2) of Rule 29, a date for hearing the applicant shall be fixed forthwith and the applicant shall be given at least ten days' notice of the date so fixed. The applicant shall, as soon as possible, notify the Controller whether he will attend the hearing.

(2) After hearing the applicant, or without a hearing if the applicant has not attended or has notified that he does not desire to be heard, the Controller may specify or permit such amendment of the specification as will be to his satisfaction to be made and may direct that reference to such other specification, as he shall mention shall be inserted in the applicant's specification unless the amendment is made or agreed to within such period as he may fix.

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.

11. The first question for our consideration, therefore, would be whether the petitioner was entitled for a hearing or as contended by Respondents as the request was not made at least 10 days in advance of the expiry of the time limit in respect of the proceedings the question of granting hearing would not arise.

12. Factually as the records now indicate the office of the respondent No. 3 received the response dated 3rd March, 2006 on 6th March, 2006. The last date of filing the response as per the record is 15th March, 2006. If 6th March, 2006 and 15th March, 2006 are considered then it is within the 10 days. It may be possible to contend that such a construction may strictly not fall within 10 days in advance of the expiry of the time limit.. Would that mean that Section 80 which recognizes the right of hearing will exclude a hearing if not received at least 10 days in advance of the expiry of the time limit. u/s 21 an application for Patent shall be deemed to have been abandoned unless within the time prescribed the applicant has complied with all the requirements imposed under the Act. The power, therefore, u/s 21 of treating an application as abandoned would only be in the event no response is filed in response to the objections raised The first response was filed within time and the hearing sought was within the period prescribed u/s 80 of the Act.. Section 21

creates a deeming fiction of abandonment. Section 21, therefore, has two aspects. One to treat the application as abandoned in the event the response is not forwarded to the Controller within the time when the objections are made known. The second, if it is the contention of the petitioner that he has complied with the objections, can the Controller hold that the Patent is deemed to have been abandoned without giving a hearing to such applicant. Section 21 in our opinion, would require exercise of discretion on the Controller which discretion then has to be exercised judiciously. No judicial or quasi judicial authority ordinarily in the absence of a statutory bar can decline to hear a party in respect of proceedings which would visit a party with civil consequences. The exercise of discretion has an inbuilt element of hearing which Section 80 statutorily recognises. u/s 80 if discretion has to be exercised hearing has to be given if the request is made within the time stipulated by the provisions. In that context will the proviso if the objections are not filed within the time prescribed exclude such a personal hearing. Section 80 operates without prejudice to any other provisions contained in the Act.

13. We may also gainfully refer to the Rules in the context of Section 21. Rule 28(1) contemplates objections to be communicated by the Controller to the Applicant. On the applicant contesting the objections communicated he has to be given an opportunity of hearing if request is made to that effect. No doubt the proviso to Rule 28(2) sets out the request shall be made on a date earlier than 10 days of the final date of the period referred to in Sub-section (1) of Section 21. Under Rule 28(3) an independent power is conferred on the Controller if he considers it desirable to fix a date of hearing. Rule 30, however, provides that if the applicant so request at any time or on the Controller being satisfied that the objection has not been removed within the time referred in Rule 29(2). then the Controller has to fix a date for hearing and the applicant has to be given at least 10 days notice of the date so fixed. In other words apart from Rule 28 there is a power under Rule 30 conferred on the Controller on the request being made by the applicant at any time, of course, before the matter is decided and in the alternative if the Controller is satisfied that the objection has not been removed within the period referred to in Sub-section (2) of Rule 29 to give a hearing. There is, therefore, a power under Rule 28(3) as also under Rule 30 either at the request of the applicant or if the Controller is of the opinion that the objections have not been removed to give a hearing to the applicant.

14. Under Rule 129 it is further required that before exercise of any discretionary power the Controller shall give such applicant or a party a hearing after giving him or them 10 days notice of such hearing ordinarily.

15. Therefore, on a reading of Section 21 with Section 80 and with Rule 28(2), it may appear that the claim for hearing must be made within a time as specified in the proviso to the Section and the Rule. A proviso is usually construed as operating to qualify that which precedes it. The natural presumption is that but for the proviso,

the enacting part of the Section would have included the subject matter of the proviso. In our opinion, what Section 80 and Rule 28(2) contemplate is that if a request is made within the time as framed, the Controller shall give a hearing as the expression used is "shall". Therefore, if the request is made within the time frame, the hearing is mandatory. That does not exclude the right of hearing in other cases if sought even after the prescribed time. The right of hearing is an inbuilt wherever any discretionary power has to be exercised and this has been recognised by Rule 129 and apart from that Rule 30 which independently confers a power on the Controller in two situations, one if at any stage the applicant so requests and in the alternative if the Controller is satisfied that objection has not been removed within the period specified in Sub-rule (2) of Rule 29 then to give the applicant an opportunity.

16. In our opinion, therefore, a co joint reading of the provisions of the Act would result in holding that when an applicant seeks an opportunity within the period contemplated u/s 80 the Controller shall given a hearing. That, however, does not exclude a hearing to be given to the applicant who may seek hearing beyond that time as it within be in the discretion of the Controller and considering Rule 129 if discretion has to be exercised it can only be judiciously exercised after a hearing.

17. Once we so hold in our opinion the communication of 26th September, 2006 by the Controller, respondent No. 3, holding that the application was deemed to be filed was clearly without jurisdiction and consequently is liable to be set aside.

18. Similarly, in so far as exercise of Review is concerned, clearly that is an exercise by a quasi judicial authority. Once a quasi judicial authority has to exercise review jurisdiction then it is contemplated firstly that the party be heard and secondly that the Review is disposed off by a speaking order and by recording reasons for the disposal of the Review Application. In the instant case that has also not been done. In the light of that the order dismissing the application for Review dated November, 28, 2006 is also liable to be quashed and set aside. However, no purpose will be served in directing the hearing of the review in view of the order to be passed.

19. In the light of the above the following order:

(1) Rule made absolute in terms of prayer Clause (a). The matter is remanded to the respondent No. 3 to hear the petitioner herein after giving a proper opportunity as contemplated under the Act and the Rules and thereafter to decide the matter according to law. In the circumstances of the case there shall be no order as to costs.