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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ C.A.(COMM.IPD-PAT) 20/2024

STAR SCIENTIFIC LIMITED .....Appellant

Through: Mr. Anirudh Bakhru with Ms. Anuradha Salhotra, Mr. Nikhil Sharma Ms. Sharika Vijh and Ms. Vijay Lakshmi, Advocates.
M: 9811068018
Email: litigation@rahulchaudhry.com

versus

THE CONTROLLER OF PATENTS AND DESIGNS .....Respondent

Through: Mr. Harish Vaidyanathan Shankar, CGSC with Mr. Srish Kumar Mishra and Mr. Alexander Mathai Paikaday, Advocates.
(M): 9810788606

CORAM:
HON'BLE MS. JUSTICE MINI PUSHKARNA

J U D G M E N T
30.07.2024

MINI PUSHKARNA, J:

1. The present appeal has been filed under Section 117A of the Patents Act, 1970 ("Patents Act"), challenging the order dated 18th December, 2023 passed by the Controller of Patents and Designs ("Controller"), refusing grant of patent to *Patent Application No. 202017011947*, under Section 15 of the Patents Act.

2. Facts relevant for the present case, are as follows:

2.1 The appellant filed National Phase *Patent Application No. 202017011947*, titled *'Composition, Methods, and Apparatuses for Catalytic*

Combustion' ("subject patent") before the Indian Patent Office, New Delhi, (Patent Application), which was based on the Patent Cooperation Treaty ("PCT") Application No. PCT/AU2018/050895, dated 22nd August, 2018.

2.2 The Patent Application relates to Catalytic Combustion of clean fuel mixtures, for utilization of clean sources of energy.

2.3 A request for examination was filed on 25th June, 2021. Pursuant thereto, the Controller of Patents and Designs issued the First Examination Report ("FER") on 23rd August, 2021.

2.4 The appellant filed detailed response to the FER on 23rd February, 2022, along with supporting documents, responding to the objections as raised by the learned Controller. The appellant also amended total number of claims from 1-53 to 1-22, with two independent claims.

2.5 Thereafter, on 23rd November, 2023, the learned Controller issued a hearing notice, fixing a hearing in the Patent Application on 08th December, 2023. However, the appellant's Patent Attorney did not attend the hearing, in the absence of instructions from the appellant, nor was any adjournment of the said hearing, was sought.

2.6 The appellant's Patent Attorney received a call from the office of the learned Controller on 15th December, 2023, seeking reason for not attending the hearing on 08th December, 2023. The learned Controller directed the Patent Attorney to issue an E-mail, explaining the reason for the same.

2.7 Accordingly, the appellant's Patent Attorney sent E-mails dated 15th December, 2023 and 18th December, 2023, whereby, the learned Controller was informed that due to the appellant's financial difficulties, hearing could not be attended on 08th December, 2023. The appellant's Patent Attorney also sought disposal of the patent application, as per the provisions of the

Patent Act. It was further requested that in case any further information/clarification was needed by the learned Controller, the same may be communicated to the Patent Attorney.

2.8 The learned Controller passed the impugned order dated 18th December, 2023, whereby, he refused the patent application of the appellant.

2.9 Pursuant to receipt of the impugned order, the appellant's Patent Attorney sent E-mails dated 1st March, 2024, 5th March, 2024, 6th March, 2024 and 12th March, 2024, thereby requesting the learned Controller to revive the patent application. The appellant also filed a representation dated 5th March, 2024 before the Department of Administrative Reforms and Public Grievance. Since no response was received by the appellant to the aforesaid E-mails and representation, the present appeal has been filed.

3. On behalf of the appellant, the following submissions have been made:

3.1 A detailed reply was filed on 23rd February, 2023, addressing every objection as raised in the FER, which ought to have been considered at the time of passing the final order.

3.2 Reliance is placed on Section 14 of the Patents Act and Rule 28(5) of the Patent Rules, 2003 ("Patent Rules"), to submit that the learned Controller was obligated to pass a reasoned order, after considering the submissions of the appellant on record.

3.3 Merely because hearing was not attended by the appellant, the same cannot be considered to be abandonment of the application by the appellant. The communication by the appellant was clear that the hearing could not be attended on account of financial difficulties being faced by the appellant. Further, the appellant had requested for disposal of the application, as per

the provisions of the Patent Act.

3.4 On account of inadvertence and server up-gradation, appellant missed relevant Emails from its Patent Attorney, and could not provide timely instructions to seek adjournment of the hearing. In absence of relevant instructions, appellant's Patent Attorney did not attend the hearing.

3.5 Patent had been granted in favour of the appellant in nine other countries, which is a relevant consideration for grant of patents.

3.6 Amended claims had been submitted by the appellant before the learned Controller, to address the objections raised by the learned Controller. Thus, the matter ought to have been decided on merits by a reasoned order.

3.7 As per Rule 28 of the Patent Rules, the appellant was entitled to file written submissions within fifteen days. However, the learned Controller passed the order within ten days, when the time to file written submissions had not even lapsed.

4. On the other hand, on behalf of the respondent, the following submissions have been made:

4.1 The present appeal is misconceived. The impugned order dated 18th December, 2023, was passed in consonance with the mandate of the Patent Act and Rules.

4.2 The appellant has approached this Court with unclean hands and has made conscious efforts to mislead the Court. On the one hand, appellant has stated that it was facing serious financial difficulties at the relevant time. On the other hand, the appellant has stated that on account of inadvertence and server up-gradation the appellant missed the relevant Emails from its Patent Attorney. However, except from alleging financial difficulty, no other

reason was given in the Emails communicated to the learned Controller.

4.3 The appellant has failed to explain as to the actual reason for not attending the scheduled hearing, whether it was due to financial difficulty, or on account of inadvertence/server up-gradation. If it was financial difficulty, no proof has been produced in corroboration of the same. The appellant has failed to explain as to how its financial position improved in three months.

4.4 The appellant has stated that it is a leading Hydrogen Research and Development Company based in Australia and that the subject patent has already been granted in various countries. In view of the same, the excuse of financial position is false and misleading.

4.5 The appellant has not produced any proof of server up-gradation, if the same was true.

4.6 The reply by appellant to the FER contained numerous amendments, which were substantial. Thus, it cannot be contended that the reply to the FER will suffice, without answering to the objections to the hearing notice.

4.7 The communications dated 15th December, 2023 and 18th December, 2023 by the appellant's Patent Attorney clearly show that the appellant had no intention to prosecute the application further. Thus, it was a conscious decision to abandon the subject application.

5. I have heard learned counsels for the parties and have perused the record.

6. At the outset, this Court notes that the appellant did not attend the hearing before the learned Controller and sent two Emails, stating that the appellant is unavailable for the hearing owing to financial crunch. The Email dated 15th December, 2023 sent by the appellant's Patent Attorney to the learned Controller, reads as under:

"xxx xxx xxx

Dear Sir,

This is further to the subject matter.

This email is in reference to the Hearing u/s 14 of the Patent Act for the above referenced patent application scheduled on ***08 December 2023 at 11:00HRS (for 30 min). We have received instructions from our client to not attend the hearing, as the client is suffering from financial crunch conditions and unable to proceed with the prosecution of the present application in view of aforesaid financial situations. Accordingly, we were unavailable for the scheduled hearing****.*

Further, the applicant seeks disposal of the present patent application as per the provisions of the Indian Patent Act.

If the Ld. Controller needs any further information/ clarification in this regard, please communicate the same to us.*.*

Best regards,
Koleshwar Mahto
(Patent Agent Reg. No. - IN/PA-4110)
AGENT FOR THE APPLICANT"

(Emphasis Supplied)

7. The aforesaid Email dated 15th December, 2023 was followed by another Email dated 18th December, 2023, which reads as under:

"xxx xxx xxx

Dear Sir,

This is further to the subject matter.

This email is in reference to the Hearing u/s 14 of the Patent Act for the above referenced patent application scheduled on ***08 December 2023 at 11:00HRS (for 30 min). We have received instructions from our client to not attend the hearing, as the client is suffering from financial crunch conditions and unable to proceed with the prosecution of the present application in view of aforesaid financial situations. Accordingly, we were unavailable for the scheduled hearing****.*

Further, the applicant seeks disposal of the present patent application as per the provisions of the Indian Patent Act.

If the Ld. Controller needs any further information/ clarification in this regard, please communicate the same to us*.*

Best regards,
Koleshwar Mahto
(Patent Agent Reg. No. - IN/PA-4110)
AGENT FOR THE APPLICANT"

(Emphasis Supplied)

8. On the basis of the aforesaid Emails, the learned Controller disposed of the patent application of the appellant, in the following manner:

"xxx xxx xxx

DECISION

Hearing notice has been served to the agent for the applicant on 23.11.2023 and it was scheduled on dated 08.12.2023. ***The Agent of the Applicant did not attend the pre-scheduled hearing on the stipulated date as mentioned in the above. Therefore, all the objections raised in the hearing notice still remain outstanding****.*

ORDER

Hence, based on the above facts and submissions, I hereby refuse to proceed further with this instant patent application number 202017011947 for grant of patent in accordance with Section 15 of The Patents Act, 1970 (as amended).

18/12/2023"

(Emphasis Supplied)

9. Perusal of the aforesaid order makes it evident that the learned Controller rendered the decision under Section 15 of the Patents Act, on the ground that the appellant did not attend the pre-scheduled hearing. Thus, holding that all the objections raised in the hearing remained outstanding, the patent application of the appellant was rejected.

10. Reading of the decision dated 18th December, 2023 passed by the learned Controller manifests that the learned Controller did not assign any specific reason and did not analyse as to why the appellant was not entitled to grant of patent. The impugned order is completely devoid of any analysis of the objections to grant of patent in favour of the appellant, and the reason

for rejection of the application of the appellant.

11. Merely because the appellant did not attend the hearing, cannot be the basis of passing a decision under Section 15 of the Patent Act. When the appellant had already filed its detailed reply to the FER, the learned Controller was enjoined upon to pass a Speaking Order by dealing with the reply of the appellant to the FER report. However, the impugned order does not make any reference whatsoever to the detailed submissions made by the appellant vide its reply to the FER report, or to the documents filed, therewith.

12. This Court does not agree with the submissions made by the respondent that the appellant made a conscious decision to abandon its patent application, especially, when the appellant had already filed a detailed reply to the FER report. Further, it is to be noted that reading of the Emails written by the appellant to the respondent, makes it apparent, that though the appellant did not attend the hearing before the learned Controller, however, there was a request for disposal of the patent application by the appellant, as per provisions of the statute. It is not a case, where it can be said that there was a conscious act on the part of the appellant, which would manifest the intention to abandon the application. Thus, in the case of ***Ferid Allani Versus Union of India and Others***[1], it was noted, as follows:

> *"xxx xxx xxx*
>
> ***41. 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.***

[1] ***2008 SCC Online Del 1756***

> ***42.*** *My attention has been drawn to the observations in Browning Manufacturing Co. v. 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****.*
>
> *xxx xxx xxx"*
>
> *(Emphasis Supplied)*

13. On the aspect, as to when an application should be deemed to have been abandoned, this Court in the case of ***Telefonaktiebolaget Lm Ericsson (Publ) Versus Union of India and Others***[2], has held as follows:

> *"xxx xxx xxx*
>
> ***13.*** *A collective reading of the above provisions shows that the applicant is required to deal with the objections raised in the reports that emerge as a result of the examination of the application. Whether the applicant has satisfactorily met the objections is another matter.* ***In the context of Section 21 an applicant should be deemed to have "abandoned" his application only when such applicant fails to comply with all the requirements imposed on him or under this Act. This can be contrasted with Section 15 which talks of the satisfaction of the Controller****. Section 15 of the Act reads as under:*
>
> > *"15. Power of Controller to refuse or require amended applications, etc., in certain cases. Where the Controller is satisfied that the application or any specification or any other document filed in pursuance thereof does not comply with the requirements of this Act or of any rules made thereunder, the Controller may refuse the application or may require the application, specification or the other documents, as the case may be, to be amended to his satisfaction before he proceeds with the application and refuse the application on failure to do so."*
>
> ***14.*** ***Where in response to an examination report, an applicant does nothing by way of meeting the objections raised therein within the time stipulated, and does not seek extension of time for that purpose only then it can be said that such application should be "deemed to have been abandoned". If he has replied but such reply is not found satisfactory, even after a further opportunity if any is given, then the Controller should proceed to take a decision in terms of Section 15,***

[2] ***2010 SCC OnLine Del 1086***

after complying with Section 14 of the Act.

15. *As pointed out in Ferid Allani "abandonment" requires a conscious act on the part of the Petitioner which would manifest the intention to abandon the application. That judgment also refers to Section 80 of the Act and Rule 138 of the Patents Rules which gives discretionary powers to the Controller to extend the time for complying with a requirement.* ***In the instant case the Petitioner responded to each of the objections set out in the examination report in writing within the time prescribed. It cannot, therefore, be said that it failed to respond to the objections and, therefore, did not comply with the requirements imposed on it under the Act. In other words, the basic factual condition for attracting the deemed fiction of "abandonment" in terms of Section 21(1) of the Act, was non-existent in the instant case***.

16. *Importantly, the intention of the Petitioner not to abandon its application was evident in its response dated 22nd September, 2008 where it requested that in the event the Controller was not inclined to grant its patent, it may be afforded an opportunity of being heard. Such an opportunity is clearly envisaged in Section 14 itself. This is further provided for in Section 80 of the Act and Rule 129 of the Patent Rules. While discussing the above provisions, this Court in Ferid Allani held that there was a duty of the Controller to give a hearing to an applicant before exercising any discretionary power which was likely to adversely affect an applicant's claim for registration of patent.*

17. *Lastly, this Court finds merit in the contention of the Petitioner that by holding that the Petitioner should be deemed to have abandoned its application in terms of Section 21(1) of the Act for the three reasons mentioned therein, the Controller of Patents has in effect rejected the application for patent.* ***Such an order is an order relatable to Section 15 of the Act. However this has been done without indicating the reasons why the reply filed by the Petitioner to the objections was not found satisfactory***. *Also, there is no explanation for denying the Petitioner an opportunity of hearing in terms of Section 14. Since no order was passed under Section 15 of the Act, the Petitioner is also deprived of filing an appeal under Section 117A of the Act.*

18. *For the aforementioned reasons, this Court sets aside the impugned order dated 10th August, 2008 passed by Respondent No. 2. The Petitioner's application will be restored to the file and be dealt by the Respondent No. 2 in accordance with law. If Respondent No. 2 finds that the Petitioner has not made out a case for grant of patent, it will pass a reasoned order under Section 15 of the Act. Of course, prior to doing so, the Petitioner will be offered an opportunity of*

being heard, in terms of the request already made by it under Section 14 of the Act.

xxx xxx xxx"

(Emphasis Supplied)

14. Likewise, in the case of ***Merck Serono S.A. Versus Union of India and Others***[3], this Court has held as follows:

"xxx xxx xxx

14. ***It follows from the aforesaid decision that an application can be stated to be abandoned only in cases where the applicant fails and neglects to pursue its application. In the present case, the petitioner has provided the explanations in respect of the objections that were raised in the FER and SER. The question whether the explanations have any merit or not would be a subject matter of decision by the respondent no. 2****. The impugned order dated 13.08.2008 also clearly indicates that there were certain discussions between the petitioner's agent and respondent no. 3, which were heard by the respondent no. 2.* ***In the circumstances, it would not be open to respondent no. 2 to avoid a decision on the issues raised by taking recourse to Section 21(1) of the Act. As indicated in Telefonaktiebolaget (supra) the proper course available to respondent no. 2 would be to pass a speaking order under Section 15 of the Act****.*

xxx xxx xxx"

(Emphasis Supplied)

15. In view of the position of law as discussed hereinabove, it cannot be said that the appellant had abandoned its application. Therefore, even if the appellant did not attend the hearing, it was incumbent upon the learned Controller to pass a reasoned order, taking into account the submissions of the appellant in its reply to the FER, and the documents filed along with the said reply.

16. The impugned order passed by the learned Controller completely fails to consider the appellant's detailed response to the objections raised by the

[3] ***2014 SCC OnLine Del 1825***

learned Controller, as contained in the reply to the FER. The learned Controller ought to have considered the appellant's response, while passing the impugned order.

17. Thus, in the case of ***FMC Corporation Versus The Controller of Patents***, judgment dated 19th October, 2022 in *CA(COMM. IPD-PAT) 482/2022*, this Court has held, as follows:

> *"xxx xxx xxx*
>
> *19. Be that as it may,* ***if the Applicant failed to file the written submissions in time and the request for extension was rejected by the ld. Asst. Controller, there was also a duty on the ld. Asst. Controller to consider the objections in the FER and the Reply, as also the submissions made orally during the course of hearing and pass a reasoned order. In the present case, the reasoning has been captured in only one paragraph and would not constitute a reasoned order, considering the detailed Reply which has been filed by the Applicant.***
>
> *xxx xxx xxx"*
>
> *(Emphasis Supplied)*

18. There is another aspect of the matter. The learned Controller also failed to consider that the subject patent had already been registered in various jurisdictions in other countries, which is an important factor on the patentability of the subject patent. Thus, in the case of ***Otsuka Pharmaceutical Co. Ltd. Versus Controller of Patents***[4], this Court has held as follows:

> *"xxx xxx xxx*
>
> *20.* ***I may also take note of a relevant and important fact brought out by the Appellant that the inventive step involved in the subject application has been acknowledged in corresponding applications in major jurisdictions inter alia Japan, Indonesia, Australia, Malaysia, etc. which has led to grant of patents in all these jurisdictions. This, according to the Appellant, affirms the patentability of the present inventions and ought to have been taken into account by the***

[4] ***2022 SCC OnLine Del 4982***

Respondent. I agree.

xxx xxx xxx"

(Emphasis Supplied)

19. The Position that emerges from the aforesaid discussion is that the learned Controller ought to have passed a Speaking Order, irrespective of the fact that the appellant was not represented during the hearing scheduled by the learned Controller. In this regard, reference may be made to Rule 28(5) of the Patent Rules, that reads as under:

> *"xxx xxx xxx*
>
> *28.* ***Procedure in case of anticipation by prior publication.***
> *(1).....*
> *(2).....*
> *(3).....*
> *(4).....*
> *(5)* ***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 he thinks fit to be made and may refuse to grant the patent unless the amendment so specified or permitted is made within such period as may be fixed.*
>
> *xxx xxx xxx"*
>
> *(Emphasis Supplied)*

20. Reading of the aforesaid makes it clear, that the Controller is bound to decide the patent application, whether or not, the applicant has attended the hearing before the learned Controller. Needless to state, such decision has to be made by a reasoned and Speaking Order.

21. It is apposite to refer to judgment of this Court in the case of ***Huhtamaki Oyj and Another Versus Controller of Patents***[5], wherein, while emphasizing the need to pass a reasoned and Speaking Order by the learned

[5] ***2023 SCC OnLine Del 3272***

Controller, it has been held, as follows:

> *"xxx xxx xxx*
>
> *12. This Court, therefore, is constrained to issue the following directions:*
>
> ***(i) Every order which either***
>
> ***(a) rejects an application seeking grant of a patent, or***
>
> ***(b) accepts, or rejects, any pre-or post-grant opposition to such applications, shall be reasoned and speaking, and shall deal systematically and sequentially with each objection that requires consideration, whether contained in the FER, or the hearing notice, or in any pre-or post-grant opposition, and provide reasons as to why the objection is sustained or rejected.***
>
> ***(ii) If there is no pre-or post-grant opposition to the patent, and objections are raised only by the office of the Controller itself, in the FER or Hearing Notice, and the reply of the applicant in response thereto is found to be worthy of acceptance, then, too, the order granting the patent should briefly state why the applicant's reply is accepted, as this would facilitate any post-grant opponent, who seeks to oppose the grant of the patent, or seek its revocation, after the patent is granted.***
>
> *xxx xxx xxx"*
>
> *(Emphasis Supplied)*

22. In the facts and circumstances of the present case, the impugned order dated 18th December, 2023 passed by the learned Controller, cannot be sustained, and is liable to be set aside. Accordingly, the matter is remanded back to the respondent for fresh consideration.

23. Since in the present case, the appellant herein has already refused to attend the scheduled hearing before the learned Controller, it would be at the discretion of the learned Controller to grant any further hearing to the appellant. However, the learned Controller is at liberty to proceed with the matter further, without grant of any hearing to the appellant herein, if it so decides.

24. Considering the fact that in the present case, the impugned order was passed within ten days of the scheduled hearing, before expiry of period of fifteen days from the date of hearing, within which time written submissions, along with relevant documents, can be filed by an applicant in terms of Rule 28(7) of the Patent Rules, it is directed that the appellant shall be at liberty to file its written submissions, along with the relevant documents, within a period of five days of pronouncement of this judgment.

25. The learned Controller shall decide the matter on merits, in accordance with law, uninfluenced by any observations made in the present judgment. The decision shall be rendered expeditiously, within the outer limit of a period of four months, from today.

26. The Registry is directed to supply a copy of the present order to the Office of the Controller General of Patents, Designs and Trade Marks of India, on E-mail Id: llc-ipo@gov.in, for compliance.

27. The present appeal is disposed of, in the above terms.

(MINI PUSHKARNA)
JUDGE

JULY 30, 2024
Ak/kr