Bry-Air Prokon Sagl & Ors. vs Union Of India & Anr. on 17 October, 2022

Author: Jyoti Singh

Bench: Jyoti Singh

Neutral Citation Number: 2022/DHC/004439

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* IN THE HIGH COURT OF DELHI AT NEW DELHI
% Date of Decision:17t
+ W.P.(C)-IPD 25/2022
BRY-AIR PROKON SAGL & ORS. ..... Petitioner
Through: Ms. Swathi Sukumar, Mr. Naveen Nagarjun, Mr. Pratyush Rao and Mr. Ritik Raghuwanshi, Advocates.

versus

UNION OF INDIA & ANR. ..... Respon
Through: Mr. Harish Vaidyanathan Shankar, Central Government Standing Counsel with Mr. Srish Kumar Mishra, Mr. Sagar Mehlawa Mr. Alexander Mathai Paikaday, Advocates.

CORAM:
HON'BLE MS. JUSTICE JYOTI SINGH

JYOTI SINGH, J.

1. Present writ petition has been filed by the Petitioners assailing the orders dated 06.08.2018, 13.08.2018, 04.01.2019, 14.10.2019, 05.11.2019, and 18.12.2019, passed by the Controller of Patents and Designs/ Respondent No. 2, whereby Indian Patent Applications filed by the Petitioners were deemed abandoned due to non-filing of timely response to the First Examination Report ('FER') as well as against the lapse of Patent No. IN293448 granted to Petitioner No. 3 which has lapsed on account of non-filing of the renewal fees.

2. As per the case set out in the petition, Petitioners No. 1, 2 and 3 (hereinafter collectively referred to as 'Petitioners') are reputed Research Neutral Citation Number: 2022/DHC/004439 and Development Companies, incorporated in 2008, 1981 and 1984, respectively. Petitioners are global solution providers for complete environmental control with specialisation in dehumidifiers, gas phase filtration, plastic drying and conveying, dry room, waste heat recovery and energy smart cooling using waste heat. The Petitioners inter alia are part of the Pahwa Group (hereinafter referred to as 'the Group'). The Group is a fast growing adsorption technology Group, employing over 1400

persons in 6 Continents and has 10 manufacturing units. The core strength of the Group is in desiccant and desiccant-based technologies and the Group has made significant financial investments in developing innovative environmental control solutions and their patents and patent applications are valuable assets.

3. It is stated that Petitioners had appointed the first Patent Agent to process, prosecute and coordinate six applications and the patent, before the Indian Patent Office (in short, referred to 'IPO'). Bibliographic details of the applications filed and Patent handled by the first Patent Agent are as follows:-

Sl. Applicant Application number FER issue Notice date of Status No. and Filing Date date and deemed due date abandonment u/S for filing of 21(1) response

1. Bry-Air 1446/DEL/2010 6 October 6 August 2018 Deemed to (Asia) Pvt. filed on 2017 be Ltd. 22 June 2010 (Letter no. abandoned Due date POD/P-I/11-B/ (Internal for 1446/DEL/2010) reference: Patent 4) response: 6 April 2018

2. Dessicant 178/DEL/2012 6 October 13 August 2018 Deemed to Rotors filed on 2017 be Neutral Citation Number: 2022/DHC/004439 International 20 January 2012 (Letter no. abandoned Pvt. Ltd. (Internal Due date POD/P-I/11-

			reference: Patent 8)	for response: 6 April 2018
3.	Bry-Air Prokon SAGL	34/DELNP/2013 Filed on 2 January 2013 (Internal reference: Patent 2)		22 March 2018 Due date for response: September
4.	Bry-Air (Asia) Pvt. Ltd.	3735/DEL/2011 Filed on 20 December 2011 (Internal reference: Patent 7)		22 June 2018 Due date for response: 22 December
5.	Bry-Air (Asia) Pvt. Ltd.	68/DEL/2015 Filed on 8 January 2015 (Internal reference: Patent 11)		19 March 2019 Due date for response: Sept 2019

6.	Bry-Air (Asia) Pvt. Ltd.	81/DEL/2014 Filed on 10 January 2014 (Internal reference: Patent 9)	Due date for response: 29 November 2019
7.	Dessicant Rotos International Pvt. Ltd.	2131/DEL/2009 Filed on 13 October 2009 (Internal reference: Patent 3)	27 February 2018 Due date for renewal: 27 May 2018

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> 4. Petitioners aver that the first Patent Agent was also instructed to represent and take necessary action in respect of related applications and patents in various foreign jurisdictions, some of which have been reinstated after appropriate applications were moved and some are under process.

In general, the practice was that Patent Agent would periodically report on the status of the pending applications and patents as also intimate, if any action was required.

5. One such application of the Petitioners being handled by first Patent Agent in association with foreign Agents of the Petitioners was application No. 34/DELNP/2013. FER was issued by the Patent Office on 22.03.2018, however, due to non-filing of response to the FER, the application was deemed to be abandoned on 04.01.2019. On 22.11.2019, European Associates informed the first Patent Agent about the abandonment, who in turn took a position that he had not received the FER. Subsequently, he informed the European Associates that he had sent a formal letter to the IPO, intimating the non-receipt of the FER and requesting for re-issuance of the same. Thereafter, correspondence was exchanged between the Petitioners, the first Patent Agent and the foreign associates and all through the Petitioners were given an impression that the first Patent Agent was actively pursuing the matter at the IPO and the delay was on account of ill health of the IPO and the limited functioning of IPO on account of pandemic COVID-

19. Petitioners also appointed a Deputy Manager IP/Legal in September 2020, to manage their IP portfolios. Several reminder letters were sent to the first Patent Agent, who was consistent in his

position that steps had been taken for restoration of the application and rectification of the record. Even on 13.12.2021, Petitioners were informed that hearing regarding restoration Neutral Citation Number: 2022/DHC/004439 of their application was likely to take place within two weeks.

6. Insofar as the other five patent applications are concerned, as per the chronology of dates and events in the writ petition, FERs were issued by Respondent No. 2 on 06.10.2017 in applications 1446/DEL/2010 and 178/DEL/2012 and in application 3735/DEL/2011 on 22.06.2018. On 27.05.2018, Petitioner No. 2's patent IN293448 was caseated on account of non-filing of renewal fee. In August, 2019, notice of deemed abandonment was issued by Respondent No. 2 in patent applications 1446/DEL/2010 and 178/DEL/2012. FERs were issued in March, 2019 in patent applications 3735/DEL/2011 and 68/DEL/2015 and on 29.05.2019 in patent application 81/DEL/2014. However, on account of non-filing of response, notice of deemed abandonment was issued on 14.10.2019, 05.11.2019 and 18.12.2019 in all the three applications.

7. Correspondence between the foreign associate of the Petitioners and the first Patent Agent about the status of 34/DELNP/2013 led to the Petitioners suspecting problems with the other applications. On 09.11.2020, Petitioners appointed a Deputy Manager IP/Legal, who while screening through the documents on the official website of IPO came across the letter of abandonment for the application 1446/DEL/2010 and sent an email updating that the application got abandoned due to failure in filing response to the FER. On communicating with the first Patent Agent, Petitioners were informed that steps were being taken for restoration of two applications 34/DELNP/2013 and 81/DEL/2014 and for application 1446/DEL/2010, response to the FER was being uploaded, while for the others, the FERs would be received shortly.

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8. Not getting any positive response from the first Patent Agent despite repeated requests and several reminders in writing and orally, Petitioners decided to transfer the power to prosecute and process their applications and patent to a new Agent in January, 2022. On 21.02.2022, Petitioners through their new Agent made an inquiry with the IPO if the FERs for the applications were sent to a correct e-mail ID and were informed by the IPO that for application Nos. 178/DEL/2012, 81/DEL/2014 and 68/DEL/2015, the FERs were sent on correct e-mail addresses. Upon confrontation with the first Patent Agent regarding the negligence in prosecuting the applications and patent, first Patent Agent admitted his negligence and also gave an affidavit dated 26.02.2022, to this extent. Petitioners state that in some jurisdictions like U.S., U.K., Germany, Australia etc., patents of the Petitioners have been either restored or the restoration is under process. On 12.05.2022, representations have been filed at the IPO seeking revival of the various applications and patent IN293448. In these facts and circumstances, the present writ petition has been filed by the Petitioners seeking quashing of the orders of deemed abandonment of the 6 patent applications as well as for restoration of IN293448 granted to Petitioner No. 3 with other consequential reliefs.

9. The primordial contention raised on behalf of the Petitioners is that response could not be filed to the FERs within the prescribed time on account of negligence of the first Patent Agent and factors which cannot be attributed to the Petitioners. The admitted negligence of the first Patent Agent has

resulted in the patent applications being deemed abandoned and the lapse of the patent IN293448 and valuable rights of the Petitioners have been lost. Petitioners had a long association with the first Patent Agent since Neutral Citation Number: 2022/DHC/004439 the year 2012 and had a reasonable expectation that he would comply with the standing instructions of the Petitioners for prosecuting the applications and the patent diligently within the stipulated timelines and deadlines. On account of the long association, Petitioners had no reason to doubt the information given by first Patent Agent from time to time that he was meticulously following up the matter with the IPO including initiation of steps for restoration of the applications and the patent.

10. It was further contended that Petitioners have placed on record the entire correspondence which includes plethora of letters/emails exchanged between the Petitioners, foreign associates and the first Patent Agent, which evidence the regular follow up with the first Patent Agent and the positive intent to prosecute the patent applications and payment of renewal fee in respect of IN293448.

11. Relying on the judgment of this Court in European Union Represented by the European Commission v. Union of India and Others, 2022 SCC OnLine Del 1793 and Ferid Allani v. Union of India and Others, 2008 SCC OnLine Del 1756, it was urged that while the Controller may not have the power under Rule 138 of the Patent Rules, 2003 (hereinafter referred to as the 'Rules'), to condone the delay in filing response to the FER and restore/revive the patent applications as well as accept the renewal fee in respect of IN293448, however, this Court while exercising writ jurisdiction under Articles 226 and 227 of the Constitution of India, can direct restoration and permit the Petitioners to file a response to the FERs as well as issue directions for extending the timelines for accepting the renewal fee and consequent restoration of the patent IN293448.

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12. Mr. Harish Vaidyanathan Shankar, learned Central Government Standing Counsel appearing on behalf of the Patent Office submits that the scheme of the Patents Act, 1970 (hereinafter referred to as the 'Act') and Patent Rules, 2003 do not permit the Controller to restore the applications and revive the patent, as the timelines are mandatory and sacrosanct. While the Controller has general powers to extend and remove irregularities but there is no power to grant extension for filing reply to FER and that too, when the applications are deemed to be abandoned under Section 21(1) of the Act or to restore the patent once the same has lapsed due to non-payment of the renewal fee.

13. I have heard the learned counsels for the parties and looked into their respective contentions.

14. Looking at the scheme of the Act, Section 21(1) of the Act provides that 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 all the requirements imposed on him by or under the Act 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. Rule 24(B) of the Rules provides the procedure and the time period for examination of the application, request for which is made under Section 11B in Form-18. A period of 48 months is available to the Applicant from the date of priority of the application or from the date of filing of the application, whichever is earlier.

Sub-Rule (5) of Rule 24(B) stipulates that time for putting an application in order for grant under Section 21 shall be six months from the date on which the first statement of objections is issued to the Applicant and the time may be further extended Neutral Citation Number: 2022/DHC/004439 for a period of three months under sub-Rule (6) on a request for extension in Form-4 along with prescribed fee, made before the expiry of the period specified under sub-Rule (5). The corollary to the above procedure and timelines is that if the Applicant does not fulfil the requirements within the prescribed time, the application will be mandatorily deemed to have been abandoned.

15. On 16.05.2016, an amendment was made to Rule 138 of the Rules which is as under:

> "138. Power to extend time prescribed.-- (1) Except for the time prescribed in clause (i) of sub-rule (4) of rule 20, sub-rule (6) of rule 20, rule 21, sub-rules (1), (5) and (6) of rule 24B, sub-rules (10) and (11) of rule 24C, sub-rule (4) of rule 55, sub-rule (1A) of rule 80 and sub-rules (1) and (2) of rule 130, 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 prescribed by these rules for the doing of any act or the taking of any proceeding thereunder shall be made before the expiry of such time prescribed in these rules."

16. A holistic reading of Section 21 of the Act and Rules 24(B) and 138 shows that from the date on which the first statement of objections is issued, a period of six months, extendable by a period of three months, is available to the Applicant to put the application in order. Therefore, this period is an outer time limit and deadline within which the entire process of objection and reply is required to be completed. Section 21 comes into play the moment the deadline is exceeded and in the absence of compliance by the Applicant by putting the application in order, the application will be treated as abandoned by a deeming fiction of law. Rule 138 further enforces the Neutral Citation Number: 2022/DHC/004439 rigid timelines envisaged by the Legislature whereby the Controller has discretion of granting extension limited to a period of one month only and therefore, the inevitable conclusion is that the deadlines posited by the Legislature for putting the application in order are mandatory.

17. In European Union Represented by the European Commission (supra), Court was in seisin of the scope of the power in a writ jurisdiction under Articles 226 and 227 of the Constitution of India. After deliberating on the issue and relying on several judgments in this context, the Court observed that the powers of the Controller are circumscribed by the provisions of the Act and the Rules and he does not have the discretion to extend the timelines prescribed therein especially those timelines that are specifically excluded in Rule 138 of the Rules. However, insofar as the jurisdiction of a writ Court is concerned, it was held that in rare cases, the Court may grant extension in filing response to the FER after examining the factual matrix to see whether the Applicant intended to abandon the patent and/or was negligent or any other extraordinary circumstance such as negligence by the Patent Agent. Placing reliance on and following several earlier decisions on the subject, Court held as under:-

"28. Ferid Allani v. Union of India [W.P. (C) 6836 of 2006, decided on 25th February, 2008] [Third category]. • The Applicant filed the Indian patent application on 17 th July, 2002.

• The request for examination was filed by the applicant on 19th November, 2004.

• 21st February, 2005: The FER was issued on 21st February, 2005 raising certain objections.

• A reply to the FER was filed on 17th September, 2005.

Neutral Citation Number: 2022/DHC/004439 • On 21st September, 2005, a futher examination report (SER) was issued. In this report, the examiner indicated that the last date for submission of the reply would be the same date i.e. 21st September, 2005. The said examination report was recived by the Applicant only on 24th September, 2005. • The patent office treated the application as abandoned. The writ petition was filed challenging the said order. The ld. Single Judge held as under:

"24. 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 Section 15 to 19, 20, 25(4), 28, 51, 54, 57, 60, 61, 63, 66, 69(3), 78, 84(1) to 84(5), 85, 88, 91, 92, and 94.

25. 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.

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

29. 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.

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40. 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 pricnciples of natural justice as statutorily envisaged.

41. It has been urged by the petitioner that the abandonment requires a conscious act on the part of 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.

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."

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32. Telefonaktiebolaget Ericsson v. Controller of Patents [W.P. (C) 9126 of 2009, decided on 11th March, 2010] - [Third Category].

• The patent application was filed on 29th July, 2005 and the applicant filed a request for examination within the prescribed time.

• The FER was issued on 8th October, 2007.

• On 10th December, 2007, objections in the FER were replied to.

• On 25th June, 2008 further objections were communicated which were raised by the patent office in terms of a Second Examination Report (hereinafter, 'SER') • Last day for complying with objections was 8th October, 2008. • Further reply was filed on 22nd September, 2008 in respect of the objections raised in the SER.

Neutral Citation Number: 2022/DHC/004439 • Curiously, the patent office passed the order on 10th October, 2008 and held that the time for putting the application in order to grant had expired on 8th October, 2008 and accordingly, the application was deemed to have been abandoned under Section 21(1) of the Act.

33. In this context, the ld. Single Judge observed that it is only if no reply is filed at all that the application could be deemed to have been abandoned. In any event, the abandonment requires a conscious act, which is to be manifested. The relevant observations as under:

"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, 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 Neutral Citation Number: 2022/DHC/004439 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."

34. Nokia Corporation v. Deputy Controller of Patents [W.P. 2057 of 2010, decided on 24th January, 2011] - [First Category].

Neutral Citation Number: 2022/DHC/004439 • On 18th August, 2009, the national phase application was filed in India. The PCT National Phase application sought priority from the US application dated 11th January, 2007.

• The delay in this case was in respect of the 31 months period for filing of the application in India under Rule 20(3) of the Rules. The Deputy Controller of Patents held that in respect of an international application, designating India, was required to be filed with the prescribed fee within the time limit i.e., 31 months from the date of priority as envisaged under Rule 20(4) of the Rules.

• According to the Dy. Controller of Patents, 31 months' period had lapsed and applying Rule 22 of the Rules, the application was held to be 'deemed to be withdrawn'. Condonation of delay had been sought by the Applicant and a hearing was also given. • The challenge raised was that the time period for filing a national phase application was provided in the Rules and not in the Act. It was contended that in any event, however, a one month extension was permissible.

• The Court held that if good cause is shown for delay in submitting the application, one month extension can be granted even if the said application was not moved within the period of 31 months. The observations of the Court are as under:

> "34. The application for extrension is required to be made within the period prescribed. Therefore, proviso would come into operation for the purpose of calculating period of one month. On true interpretation of rule 138, it is held that application for extension is to be filed within one month after expiry of prescribed time under rule 20. In case, an application is moved for extension of time by one month or shorter period, it is required to be decided on merit by taking into consideration facts and circumstances of each case.
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> 35. It is a well settled law that the Courts and statutory authorities are to do substantial justice. The object of Rule 138 is that prescribed time under rule 20 can be extended by period of one month on showing of sufficient cause. As already observed above, it is the discretion of the Neutral Citation Number: 2022/DHC/004439 Controller to extend the period on facts and circumstances of the case, but it was not correct on the part of the Deputy Controller to have rejected the application, by treating it to be not maintainable, as having been filed after expiry of prescribed time under rule 20 of the Patents Rules 2003. The merits of the facts disclosed were to be considered. Rule 6(5) or Article 48 and rule 82 of PCT rule do not govern powers under rule 138, as the Controller under this rule is to exercise quasi judicial power.""

18. Significantly in European Union Represented by the European Commission (supra), the patent applications were deemed to have been abandoned on account of the negligence of the Patent Agent in not filing reply to the FER within the stipulated timelines and the contention of the Applicant was that despite continuous follow up, the Patent Agent had not responded and the delay was not attributable to the Applicant. Condonation of delay in filing the reply was sought contending that valuable rights in the patents had been lost for no fault of the Petitioner. Examining the issue from this perspective, the Court observed as under:-

> "56. It is unclear as to whether the said patent agent in fact informed the Applicant about the issuance of FER on record. The Applicant appears to have been in the dark about the issuance of the FER and subsequently events unfolded which revealed that the first agent may not have acted diligently and a new Patent agent had to be engaged. Until the second patent agent was engaged in February, 2019, the Applicant had no communication of the FER itself or the non-filing of the reply and finally the consequential abandonment. When the second patent agent became aware of the abandonment of the application, steps were taken to file reply to the FER. Clearly, the chronology of the facts and events set out herein above leave no doubt in the mind of the Court that the Applicant was not negligent and was in fact taking all steps within its command to follow up on the prosecution of the patent application. However, for reasons beyond its own control, the Neutral Citation Number: 2022/DHC/004439 consequence of abandonment has now been saddled upon the Applicant.
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> 58. The decisions discussed above would show that inadvertent errors or errors of patent agents have been liberally considered by the Court. The consequences of patent being abandoned is quite extreme i.e., the Applicant is deprived of exclusivity for the invention completely. In the opinion of the Court, such a consequence ought not to visit the the applicant for no fault of the Applicant. In the facts of these cases, the Applicant had no intention to abandon the application. It has taken all measures possible to prosecute these applications. The Applicant was conscious of the fact that the patent may be maturing for examination and took the initiative to keep in touch with the patent agent from the very inception.
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> 59. Therefore, the question that arises is whether this Court while exercising writ jurisdiction under Article 226 and 227 ought to condone the delay and restore the patent applications of the Petitioner.
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> 60. The Court is convinced that there was no intention to abandon on behalf of the Petitioner, instead, the Petitioner's actions indicate that they were actively pursuing the application. Moreover, the judicial opinion in respect of responses to FER or other deadlines seems to suggest that if the Applicant did not have an intention to abandon and if the Court is convinced that there was a mistake of the patent agent and the Applicant is able to establish full diligence, the court ought to be liberal in its

approach.

> 61. In the opinion of this Court, the mistake of the patent agent would be similar to the mistake of an advocate who may be representing parties in any civil or criminal litigation. Insofar as any mistake committed by counsels/advocates are concerned, the settled legal position is that the litigants ought not to suffer, as has been laid down by the Supreme Court in a number of decisions including Smt. Lachi Tewari v. Director of Land Records, 1984 Neutral Citation Number: 2022/DHC/004439 Supp SCC 431; Rafiq v. Munshilal, (1981) 2 SCC 788; Mangi Lal v. State of M.P., (1994) 4 SCC 564 and The Secretary, Department of Horticulture, Chandigarh v. Raghu Raj, (2008) 13 SCC 395: AIR 2009 SC 514."

19. From a reading of the aforementioned judgments, the position of law that emerges is that Courts while exercising writ jurisdiction have extended the time for filing response to the FER in extraordinary situations, where Patent Agents were found to be negligent in prosecuting the Patent Applications, with no contributory negligence of the Applicant and on showing that the Applicant had a positive intent to prosecute. It is equally settled that 'Abandonment' requires a conscious act on the part of the applicant, which would manifest the intention to abandon and no presumptions can be drawn in this respect. It also needs no reiteration that deemed abandonment of the application for grant of patent, leads to serious impact on the valuable rights of the patent applicant, which flow in favour of an invention and this is compounded by the fact that under the statutory scheme, no appeal is provided against an order of deemed abandonment of the application for patent under Section 21 of the Act. Therefore, each case would require examination on its own facts and circumstances to see the intent of the applicant to abandon.

20. In order to substantiate the plea that Petitioners had been diligent in prosecuting the patent applications and the patent IN293448 and that there was no intent to abandon the prosecution as well as to establish the negligence of the first Patent Agent, a chronology of dates and events has been given by the Petitioners. The narrative is as follows:-

> Neutral Citation Number: 2022/DHC/004439 PATENT APPLICATION 34/DELNP/2013 A. Petitioners authorised the first Patent Agent to represent their interests before the Indian Patent Office. On 02.01.2013, patent application was filed and the FER was issued by Respondent No. 2 on 22.03.2018, which was sent to the Office of the first Patent Agent and the due date of response was 22.09.2018. The first Patent Agent neither took any action to file a response nor informed the Petitioners of the FER.
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> B. Notice of deemed abandonment was issued by Respondent No. 2 on 04.01.2019. The first Patent Agent failed to inform the Petitioners of the said Notice and in the absence of any update, the European Associates on their own found the status of the application through InPASS and vide an e-mail dated 22.11.2019 informed the Petitioners and the first Patent Agent of the status. The first Patent Agent informed the European Associates on 22.11.2019 that he had not received the FER and on

speaking to the IPO, he was informed that the error was due to a technical glitch in the system and he was advised to file a representation for re-issue of the FER. On reminders being sent, Petitioners were informed that the first Patent Agent has sent a letter dated 24.11.2019 requesting for re-issue of the FER and that restoration request was being processed. On 03.03.2020, the first Patent Agent informed of his meeting with the IPO and that the request for restoration was being reviewed along with similar requests from other entities. From 22.08.2020, the office of the first Patent Agent was closed due to COVID-19 Pandemic and the IPO was Neutral Citation Number: 2022/DHC/004439 functioning in its limited capacity.

C. In September, 2020, Petitioners appointed a Deputy Manager, IP/Legal to inter alia manage IP portfolio of the Petitioners. Between 22.10.2020 to 13.12.2021, reminders were again sent to the first Patent Agent, who maintained that the hearing regarding the restoration of the applications was likely to be conducted in the near future. Petitioners thereafter realized that the first Patent Agent was not diligent in pursuing the matter and was perhaps reporting incorrect status, they engaged new agents in January, 2022 to prosecute and process the patent application. On 21.02.2022 when the new Agent made an enquiry with the IPO with regard to the FERs for other applications, they learnt that FERs had been generated for the five applications, being the subject matter of the present petition and duly communicated to the first Patent Agent, however, due to non-filing of reply, the applications were deemed to be abandoned.

PATENT APPLICATIONS 1446/DEL/2010, 178/DEL/2012 3735/DEL/2011, 68/DEL/2015 and 81/DEL/2014 and PATENT IN 293448 A. FERs were issued by Respondent No. 2 in respect of patent applications 1446/DEL/2010 and 178/DEL/2012 on 06.10.2017, while FER was issued on 22.06.2018 for application no. 3735/DEL/2011.

B. Notice of deemed abandonment was issued for patent application 1446/DEL/2010 on 06.08.2018 and for patent 178/DEL/2012 on 13.08.2018.

Neutral Citation Number: 2022/DHC/004439 C. FERs were issued on 19.03.2019 in applications 3735/DEL/2011 and 68/DEL/2015 and for application 81/DEL/2014 on 29.05.2019.

D. Notice of deemed abandonments were issued for patent applications 3735/DEL/2011, 68/DEL/2015 and 81/DEL/2014 on 14.10.2019, 05.11.2019 and 18.12.2019, respectively. E. Correspondence ensued between the foreign associates and first Patent Agent on the status of patent application 34/DELNP/2013, which led to Petitioners apprehending risk to the other application and patent and appointed a Deputy Manager IP/Legal on 09.11.2020. On 12.11.2020, Petitioners were informed by the Agent that on checking the status for application 1446/DEL/2010 from IPO, he was informed that the response was not on record on account of which the application was deemed abandoned, however, he assured that the response would be located and placed on record. The Agent also informed that restoration of two applications 34/DELNP/2013 and 81/DEL/2014 would be done in 3 to 4 weeks. Between 27.02.2021 to 06.10.2021, the Agent kept assuring that he was consistently checking the status of all patent cases and taking requisite steps for restoration. On inquiry about filing of Form-30s on 16.12.2021, Petitioners were informed that the same were being

compiled and would be dispatched shortly, however, on receiving the Form-30s after a gap of time, Petitioners highlighted to the Agent the inconsistencies in the Forms and realising negligence of the Agent. Petitioners transferred prosecution to new Agents.

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21. Petitioners have annexed various documents including correspondence with the agent to support the plea that they had been diligent in prosecuting the matter. As an illustration, some of the documents referred to are as follows:-

(a) Key Correspondence in relation to 34/DELNP/2013:

• Annexure P15, p135: Email correspondence between Petitioners and foreign agents, attaching the erstwhile agent's email dated 24th November 2019 to the Indian Patent Office which falsely states that he has not received the First Examination Report.

• Annexure P18, p139: E-mail dated 3rd March 2020 in relation to 34/DELNP/2013, from erstwhile agent to foreign associate stating that the Patent Office had said they would review the request for restoration of rights.

• Annexure P22, p.143: Pursuant to repeated follow up, erstwhile agent states on 20th November 2020 that action will be taken with respect to 34/DELNP/2013 within 6-8 weeks. • Annexure P23, P25, P27 at p.144,146,148: Further follow up from Petitioners' foreign associate on various dates in 2021. • Annexure P24,P26,P29 at p.145, 147, 150: E-mails from the erstwhile agent on various dates in 2021, reassuring foreign associate that the matter will be listed for hearing. • Annexure P-29, p.150: E-mail dated 13th December 2021 from erstwhile agent to Petitioners foreign associate in respect of 34/DELNP/2013 stating that a hearing would be scheduled in two weeks.

(b) Key Correspondence common to all applications:

• Annexure P32, p167: E-mail dated 12th November 2020 from erstwhile agent assuring the Petitioners that the "problem" with respect to Patent Application 34/DELNP/2013 and 81/DEL/2014 would be resolved in two weeks.

Neutral Citation Number: 2022/DHC/004439 • Annexure P33, p168: E-mail thread between Petitioners and erstwhile agent showing repeated follow up by the Petitioners, and repeated misrepresentation that the matter would be resolved. • Annexure P34, p171: Email dated 27 February 2021, where the Erstwhile agent says in regard to Applications erroneously shown as abandoned he is advised that a hearing will take place on March 11, 2021.

• Annexure P37, p175: Email 6 Oct 2021 from erstwhile agent say he has been asked to file a personal affidavit in support of request to reissue the First Examination Report, and sharing a draft affidavit.

• Annexure P39, p185-190: Correspondence in December 2021 between erstwhile agent and Petitioners following up further on the matter.

• Annexure P44, pg 315: Email dated 21 Feb 2022 from Respondent No. 2 to the new patent agents of the Petitioners confirming that the FERs in respect of patent applications 178/DEL/2012, 81/DEL/2014 and 68/DEL/2015 was sent to the erstwhile agent on his email IDs."

22. Upon perusal of the above facts and supporting documents, it is clear that the first Patent Agent had not informed the Petitioners of the issuance of the FERs and they were also kept in dark about the status of the applications. E-mails were regularly sent to the Agent by the Foreign Associates as well as the Petitioners seeking updates with respect to the applications for restoration, after the Petitioners learnt of the fact that they were deemed to have been abandoned. Correspondence also reflects that the first Patent Agent consistently informed the Petitioners that he was following up the matter and the restoration applications were pending with the IPO. Petitioners are, therefore, right in contending that on account of their long association with the first Patent Agent, they had no reason to doubt him or to suspect that the input given by him, from time to time, was doubtful.

Neutral Citation Number: 2022/DHC/004439 Petitioners have been able to show that as soon as they learnt of his negligence, they engaged a new agent, who took prompt action not only in finding out the current status but also made representations for revival/ restoration. The documents on record do not indicate that the Petitioners were negligent or had any intent to abandon their patent applications.

23. It is a settled position of law that errors/negligence on part of the patent agent without any contributory negligence on the part of the Applicant, has been liberally considered by the Courts, as the consequences of a patent application being abandoned or the lapsing of a patent due to non-deposit of renewal fee are very serious, where the applicant loses his right of claiming exclusivity to an invention.

24. A caveat may, however, be added that the Court must exercise the writ jurisdiction only in extraordinary circumstances. In European Union Represented by the European Commission (Supra), the Court has rightly cautioned that the intention of the Legislature in Rule 138 of the Rules as well as the mandate in Section 21(1) of the Act cannot be ignored and failure to adhere to the timelines must be visited with serious consequences. In the facts and circumstances of the present case, this Court is of the view that there is no fault or negligence on the part of the Petitioners and therefore, they should not suffer for the fault or negligence of the Patent Agent, and the present case fits into the exception of 'extraordinary circumstances'. Petitioners are thus entitled to file a response to the FERs with respect to the six patent applications so that they can be processed further.

25. Present writ petition also concerns patent IN293448 which has lapsed on 27.05.2018. Patent application was filed on 13.10.2009 and the patent Neutral Citation Number: 2022/DHC/004439 was granted on 27.02.2018. Due date for payment of annuities under Section 142(4) of the Act, i.e., 3 months from the date of grant was 27.05.2018. The extended date available to a patentee under Section 142(4) of the Act, i.e. total 9 months from the date of grant, was 27.11.2018. Section 53(2) of the Act provides that a patent shall cease to have effect on expiration of period prescribed for payment of renewal fee, if that fee is not paid within the prescribed period or within such extended period, as may be prescribed. Section 60(1) of the Act comes into play where the patent has ceased to have effect for non-payment of renewal fee within the prescribed period and enables the patentee to seek restoration within 18 months from the date on which the patent ceased to have effect. As afore-noted, Petitioners have been able to demonstrate that the first Patent Agent was negligent in prosecuting the patent applications as well as this patent. The patent has lapsed on account of non-payment of annuities within the time prescribed by the Statute. Petitioners are, in my view, correct in their contentions that having had a long association with the first Patent Agent since 2012, they had no reason to doubt the statements made by the first Patent Agent that initially, he was following up the matter and later he was taking requisite steps for restoration. In fact, a host of documents have been placed on record reflecting correspondence and a regular follow up by the Petitioners, seeking updates and giving instructions to actively prosecute. Petitioners have also placed on record an e-mail dated 13.12.2021 annexing a status chart sent by the first Patent Agent to the Petitioners, where patent IN293448 is mentioned with a noting that there are standing instructions to renew the same. An affidavit sworn by the first Patent Agent is also on record, which is self speaking and wherein the first Patent Agent has, in so Neutral Citation Number: 2022/DHC/004439 many words, stated that his authorization included filing of patent applications at the IPO and prosecuting the same until grant and thereafter for payment of annuities to keep the granted patents in force as also to respond to communications from the IPO and take all necessary actions to see that applications do not lapse due to inaction. It is also stated that at no point in time, he was under any instruction from the Petitioners to allow any patent application to lapse due to non-payment of fee, non-filing of response, etc. In fact, on the basis of this affidavit, IP Australia has restored the patent applications and the document is on record of this Court.

26. Relevant would it be to note that In European Union Represented by the European Commission (Supra), patent applications were restored by the Court on account of the negligence of the Agent which coincidentally happens to be the same agent as in this Court and as rightly pointed by the Petitioners in the said case albeit in the case of the patent applications, the writ petition was allowed extending periods of 40 months and 38 months respectively, in respect of two patent applications. In PNB Vesper Life Science Pvt. Ltd., Represented by its Director Mr. P.N. Balaram v. Controller General of Patents, Designs & Trademarks, 2022 SCC OnLine Mad 3190, it was held that if there is nothing on record which indicates that Petitioner has willfully neglected, benefit of doubt must be given and this is an embodiment of a fact which cannot be gleaned over that valuable rights vest in a patentee on grant of a patent and therefore, if the Applicant is not at fault, he should not be deprived of his rights to enjoy the fruits of his skill, hard work and labour.

27. In OA/18/2014/PT/KOL titled as Rubicon Research Pty Ltd. v. The Controller General of Patents, Designs and Trademarks and Ors., decided Neutral Citation Number: 2022/DHC/004439

on 21.08.2020, the patent application was filed on 17.02.2003, which matured into a grant of patent on 02.03.2007. On 24.05.2007, the Patent Agent sent a letter to the Australian Agents of the Appellants therein, intimating the grant of patent and for payment of 3rd-7th annuities, which was a week before the due date. The Agent sought instructions for payment and a debit note was raised, which was cleared by the Appellants within the extendable period of 9 months under Section 142(4) of the Act. After a gap of two and a half years, the Patent Agent informed the Appellants that the patent had lapsed due to non-payment of annuity. The application for restoration was rejected by the Controller. The IPAB, however, held in the facts of the case that prejudice would be caused to the Appellant in case it lost the patent rights for fault and negligence of the Agent and the order of the Controller was set aside, finding the same to be unreasonable. It bears repetition in the present case that on account of the admitted negligence of the Agent, there is no plausible reason why the Petitioners should suffer.

28. There is an added reason why this Court is inclined to permit the Petitioners to file for restoration of the patent. As noted above, the period of three months under Section 142(4) of the Act for payment of annuities expired on 27.05.2018. An extended period of six months from the said date was available to the Petitioners for payment of annuities under Section 142(4) of the Act. Additionally, under Section 60(1) of the Act, Petitioners are entitled to make an application for restoration of the patent within 18 months from the date on which the patent ceased to have effect. If the first Patent Agent had been diligent, the annuities would have been deposited by 27.05.2018 or within the extended period expiring on 27.11.2018, on the extension being sought. As per the provisions of the Act, if the fee was not Neutral Citation Number: 2022/DHC/004439 paid within the extended period, Petitioners were entitled to approach the Controller upto 27.05.2020 under Section 60(1) of the Act. Since the Petitioners were unaware of the non-prosecution by the first Patent Agent and in depositing the annuities, the benefit of the extended period of 6 months was lost. Insofar as the 18 months period available to an Applicant under Section 60(1) of the Act is concerned, as rightly contended by the Petitioners, a part of this period overlapped with the Pandemic COVID-19 and they are entitled to the benefit of the extension of limitation period by the Supreme Court in SMWP (C) No. 3/2020 In Re: Cognizance for Extension of Limitation. Vide order dated 10.01.2022, the Supreme Court directed that in cases where limitation would have expired between 15.03.2020 to 28.02.2022, notwithstanding the actual balance period of limitation remaining, limitation shall extend for a period of 90 days from 01.03.2022. As averred in the appeal, Petitioners have approached the Controller albeit with a representation on 12.05.2022, seeking restoration of the patent and are squarely covered by the said judgment. Looking at the extraordinary facts and circumstances of this case, as aforementioned, in my view, it would be a travesty of justice if on technical grounds the Patent is allowed to lapse. Petitioners are thus held entitled to file an application for restoration, in the prescribed Form along with the prescribed fee, within a period of 4 weeks from today.

29. Accordingly, impugned orders dated 06.08.2018, 13.08.2018, 04.01.2019, 14.10.2019, 05.11.2019 and 18.12.2019, issued by the learned Controller of Patents and Designs, are quashed and set aside.

30. The patent applications bearing nos. 1446/DEL/2010, 3735/DEL/2011, 178/DEL/2012, 34/DELNP/2013, 81/DEL/2014 and Neutral Citation Number: 2022/DHC/004439 68/DEL/2015 shall be restored to their original position. Petitioners are permitted to file their response to the FERs, within a period of 4 weeks from today. Upon the response being received, Respondent No. 2 shall take on record the same and the examination by the Patent Office shall proceed in accordance with the provisions of the Act and Rules. Insofar as the patent IN293448 is concerned, upon the Petitioners filing restoration application within the time granted by this Court in the prescribed format and the prescribed fee and/or on completion of other necessary formalities, if any, the Patent Office shall consider revival/restoration of the patent in accordance with the Act and Rules.

31. Writ petition is allowed and disposed of, in the aforesaid terms.

JYOTI SINGH, J OCTOBER 17, 2022/shivam/rk