IN THE HIGH COURT OF DELHI AT NEW DELHI

Judgment reserved on: 23.05.2014
Judgment pronounced on: 19.12.2014

LPA 884/2013 & CM 4330/2014

PUNEET KAUSHIK & ANR. ..... Appellants

versus

UNION OF INDIA & ORS. ..... Respondents

Advocates who appeared in this case:
For the Appellants : Mr Pravin Anand and Ms Divya Vijan Bajaj.

For the Respondents : Mr Amrit Pal Singh, CGSC with Mr M.P.Singh and Dr Kavita Taunk for UOI.

CORAM:
HON'BLE MR JUSTICE BADAR DURREZ AHMED
HON'BLE MR JUSTICE SIDDHARTH MRIDUL

J U D G M E N T

SIDDHARTH MRIDUL , J

1. The instant appeal challenges the order dated 23.09.2013 passed by a learned Single Judge in W.P.(C)1631/2013. The writ petition was disposed of in the following terms:

> "For the reasons stated hereinabove, the writ petition is disposed of with a direction to the respondents to grant within six (6) weeks from today, 27.09.2012 as the international filing date in respect of the PCT application submitted by the petitioners to the Indian Patent Office on 14.09.2012 and assign an international number to the said

> application subject to their submitting the copies of specifications in required number, and paying the requisite fee/late fee, within such time as the respondents stipulate in this regard in the light of the provisions of PCT in this regard."

2. The facts necessary for the instant adjudication have been explained in succeeding paragraphs.

3. The appellants claim to have filed a Patent Co-operation Treaty (PCT) application (international application) before the Indian Patents Office (India) on 14.09.2012 enclosing therewith the following documents:

i) Form-25 (in duplicate)

ii) Power of Attorney for Form-25 (copy)

iii) PCT Request along with Declaration of Inventorship (in duplicate)

iv) PCT Power of Attorney

v) Complete specification along with drawings (in duplicate)

vi) PCT fee calculation sheet and

(vii) PCT Easy documents in CD with the transmission fee of Rs.8,000/- and Form-25 fee of Rs.4,000/-

4. The PCT application being first filed for the invention, Form-25 was enclosed as per the practice of Indian Patent Office.

5. There was a continued exchange of emails between the Counsel for the appellants and the Respondent office wherein the grievance of the appellants was that though the PCT application was duly submitted on 14.09.2012, the same had not been taken on record and neither was a filing date allotted. The Respondent office communicated that the procedures for processing a PCT application and a Form-25 request were separate and at the relevant time on 14.09.2012, the counsel for the appellant Mr. Cyril was in possession of only one set of documents and had the option to file either Form-25 or a PCT application. Based on directions, he only filed documents for a Form-25 request.

6. In the counter-affidavit, the Respondents have stated that the appellants did not file an international application for patent under PCT instead they had filed an application for permission for filing outside India under Section 39 of the Patent Act, 1970 on Form-25. A resident of India cannot file an application outside India without obtaining the requisite permission and therefore, the purported PCT application was not given a number.

7. Two main issues present themselves from this factual background:-

i) Whether a PCT application filed in the Indian Patent Office can be treated as an application made 'outside India' in the context of Section 39 of the Patents Act, 1970?

ii) What would be the relevant date of international filing?

8. The relevant provisions have been reproduced for ready reference. Section 39 of The Patents Act, 1970 reads as under:-

> "**39. Residents not to apply for patents outside India without prior permission**
>
> (1) No person resident in India shall, except under the authority of a written permit sought in the manner prescribed and granted by or on behalf of the Controller, make or cause to be made any application outside India for the grant of a patent for an invention unless—
>
> a) an application for a patent for the same invention has been made in India, not less than six weeks before the application outside India; and
>
> b) either no direction has been given under sub-section (1) of section 35 in relation to the application in India, or all such directions have been revoked.
>
> (2) The Controller shall dispose of every such application within such period as may be prescribed:
> Provided that if the invention is relevant for defence purpose or atomic energy, the Controller shall not grant permit without the prior consent of the Central Government.
>
> (3) This section shall not apply in relation to an invention for which an application for protection has first been

filed in a country outside India by a person resident outside India."

9. Section 35 of the Patents Act, 1970 reads as under:-

"**35. Secrecy directions relating to inventions relevant for defence purposes**

(1)Where, in respect of an application made before or after the commencement of this Act for a patent, it appears to the Controller that the invention is one of a class notified to him by the Central Government as relevant for defence purposes, or, where otherwise the invention appears to him to be so relevant, he may give directions for prohibiting or restricting the publication of information with respect to the invention or the communication of such information.

(2)Where the Controller gives any such directions as are referred to in subsection (1), he shall give notice of the application and of the directions to the Central Government, and the Central Government shall, upon receipt of such notice, consider whether the publication of the invention would be prejudicial to the defence of India, and if upon such consideration, it appears to it that the publication of the invention would not so prejudice, give notice to the Controller to that effect, who shall thereupon revoke the directions and notify the applicant accordingly.

(3)Without prejudice to the provisions contained in sub-section (1), where the Central Government is of opinion that an invention in respect of which the Controller has not given any directions under sub-section (1), is relevant for defence purposes, it may at any time before grant of patent notify the Controller to that effect, and thereupon the provisions of that sub-section shall apply

> as if the invention where one of the class notified by the Central Government, and accordingly the Controller shall give notice to the Central Government of the directions issued by him."

10. The learned counsel for the appellant challenged the practice adopted by the Indian Patent Office as a receiving office for international applications filed in India. It is argued that the relevant provision applicable for an application filed before the Controller would be Section 35 and not Section 39. Section 39 applies when an Indian resident makes an application for grant of patent 'outside India'. The ideal procedure according to the appellant is that a PCT application should be processed in the same manner as an application made before the Controller. An application made before the Controller is required to undergo a screening for defence purposes and consequent directions under Section 35. This is evident from the fact that when an application is first filed in India, the applicant is permitted to file outside India only on expiry of six weeks as envisaged by Section 39. The inference to be drawn is that in these six weeks the screening under Section 35 is completed and if there are no directions issued or issued and revoked, there is no bar to foreign filing. However, a PCT application, complete in all aspects, cannot be denied from being allotted a filing date on the ground that the permission under Section 39 was not obtained prior in time.

11. The argument regarding the relevant date of filing has been addressed in two parts. The learned Counsel argues that the proceedings under Section 35 do not have the effect of a stay on the allotment of the filing date to the patent application. If a direction is issued by the Controller, the application is not further processed until clearance is obtained from the Ministry of Defence, after which the application proceeds and the filing date continues to be the date of receipt of the application. It is therefore, urged that the date of filing should be accorded from the date of receipt of documents relating to the patent i.e. 14.09.2012.

12. Reliance is placed on Article 11 and Rule 20.2 PCT Regulations to emphasize that the international filing date is the date of receipt of the application. Both provisions are being reproduced below:-

> "**Article 11**
> **Filing Date and Effects of the International Application**
> (1) The receiving Office shall accord as the international filing date the date of receipt of the international application, provided that that Office has found that, at the time of receipt:
> (i) the applicant does not obviously lack, for reasons of residence or nationality, the right to file an international application with the receiving Office,
> (ii) the international application is in the prescribed language,

(iii) the international application contains at least the following elements:
(a) an indication that it is intended as an international application,
(b) the designation of at least one Contracting State,
(c) the name of the applicant, as prescribed,
(d) a part which on the face of it appears to be a description,
(e) a part which on the face of it appears to be a claim or claims.

(2)(a) If the receiving Office finds that the international application did not, at the time of receipt, fulfill the requirements listed in paragraph (1), it shall, as provided in the Regulations, invite the applicant to file the required correction.
(b) If the applicant complies with the invitation, as provided in the Regulations, the receiving Office shall accord as the international filing date the date of receipt of the required correction.

(3) Subject to Article 64(4), any international application fulfilling the requirements listed in items (i) to (iii) of paragraph (1) and accorded an international filing date shall have the effect of a regular national application in each designated State as of the international filing date, which date shall be considered to be the actual filing date in each designated State.

(4) Any international application fulfilling the requirements listed in items (i) to (iii) of paragraph (1) shall be equivalent to a regular national filing within the meaning of the Paris Convention for the Protection of Industrial Property."

"**20.2 Positive Determination under Article 11(1)**
(a) If the receiving Office determines that, at the time of receipt of the papers purporting to be an international application, the requirements of Article 11(1) were fulfilled, the receiving Office shall accord as the

> international filing date the date of receipt of the international application.
>
> (b) The receiving Office shall stamp the request of the international application which it has accorded an international filing date as prescribed by the Administrative Instructions. The copy whose request has been so stamped shall be the record copy of the international application.
>
> (c) The receiving Office shall promptly notify the applicant of the international application number and the international filing date. At the same time, it shall send to the International Bureau a copy of the notification sent to the applicant, except where it has already sent, or is sending at the same time, the record copy to the International Bureau under Rule 22.1(a)."

13. In the alternative, it is submitted that even if Section 39 were to apply to the application filed by the appellant and the requisite permission was required to be taken, the appellant was granted the permission on 27.09.2012. The Respondent office was in receipt of the documents on 14.09.2012 and the international filing date should date back to the day the documents were submitted.

14. Per contra, it is the case of the respondent that a PCT application made at the Indian patent office is an international application and the patent office in India only collects such application on behalf of the international organization and forwards the same to it as a transmitting office. Thereafter,

it is processed in accordance with the provisions of the treaty by the International Bureau and the International Searching Authority. The functional effect of such an application is that of an application made 'outside India' in terms of Section 39 and therefore, permission from the Controller was required before such application could have been made.

15. Factually, it is also submitted that the appellants had merely filed 'Permission for filing outside India' on Form-25 and documents in support thereof with prescribed fees on 14.09.2012. The counters for processing a Form-25 request are separate from counters empowered to receive a PCT international application. Documents filed for a PCT application directly go to RMID-4 Section whereas foreign filing requests are handled by the EDP Section.

16. We have heard rival submissions in sufficient detail. The Patent Cooperation Treaty (PCT) is a treaty for rationalization and cooperation between member countries with regard to filing, searching and examination of patent applications and dissemination of scientific and technical information contained therein. Legal rights emanating from a patent being territorial in nature coupled with the necessity to secure protection in many

countries due to globalization of technology and trade and the cut throat global competition, a need was felt for an alternate system to simplify the filing and processing procedures. Under the PCT system, a single patent application can be filed designating all the PCT member countries and processed to a certain stage at a single place.

17. India became the 98th member of PCT and accordingly, international applications for patents can be filed in India at various Receiving Offices according to relevant jurisdiction. Such a filing has the effect of filing in each of the PCT member countries which the applicant designates in his application.

18. Perusal of the legislative history reveals that the provision contained in Section 39 Patent Act, 1970 was deleted by the Patents (Amendment) Act, 1999. However, in the report of the Joint Committee presented to the Rajya Sabha on the 19th December 2001, the committee members felt that Section 39 should be reintroduced to prevent flow of sensitive information, relating to the country's security, outside India. Therefore, the purpose of Section 39 is to enable the Controller to apply secrecy directions which shall prevent the flow of sensitive information relating to the country's security, outside India.

19. Section 39 Patents Act, 1970 stipulates that an Indian resident is prohibited from applying for a patent for an invention outside India unless either one of two conditions is satisfied:-

i) Written permission by or on behalf of the Controller for grant of a patent is obtained, or

ii) An application for a patent for the same invention has been made in India and either no direction has been given under sub-section (1) of Section 35 in relation to the application or all such directions have been revoked and a period of six weeks have elapsed.

20. Under Section 35, inventions relating to the defence of the country will be subject to secrecy directions. The objective of Section 39 is directly related to this purpose as is made clear by way of Section 39(1)(ii) of The Patents Act,1970. It is noteworthy that both Sections 35 and 39 are placed in Chapter VII of The Patents Act, 1970, which is titled "Provisions for Secrecy of Certain Inventions". Therefore, from the scheme of the legislation, prima facie it appears that the purpose behind the restriction under Section 39 is to operate as a mechanism that enables the Controller to meaningfully apply Section 35.

21. An Indian resident desirous of filing an international patent application has two courses available to him. The first being that an Indian application for grant of patent is filed before the Controller, the Controller examines the application under Section 35 and on expiry of a period of six weeks an international application can be filed outside India, if no secrecy directions are issued. The international filing date dates back to the date allotted by the Indian Patent office as per Section 7 (1A) read with (1B). The second course is for an applicant to request the Controller for written permission to file an international application and subsequent to grant of such permission, an international application can be filed outside India. This is the procedure mandated by Section 39.

22. The legal consequences flowing from a PCT application filed in the Indian Patent office are that of an application filed outside India. The Receiving office is only empowered to assure that a PCT application is in conformity with all the prescribed documents under the treaty. All further processing is done by the International Bureau and the International Searching Authority.

23. In the factual matrix of the present case, the appellant has expressly moved a PCT application at the Indian Patent office. This is evidenced by the fact that the application was moved by filing a request under Form-25, which is specifically prescribed for a PCT application. Section 39 is therefore, to apply to such PCT application. The Respondent office could not have accepted an application without the requisite permission simply owing to the fact that Section 39 bars such application to be made.

24. Coming to the issue of filing date, the same can be accorded only when a complete application is filed. The argument advanced by the appellant seeking dating back of the filing date to the day the Form-25 request was made cannot be accepted because the application on 14.09.2012 was not complete. As rightly directed by the learned Single Judge, the filing date can only be accorded once the requisite permission is granted i.e. 27.09.2012. It may be pointed out that if the appellant had adopted the course of first filing an Indian application for patent and on expiry on six weeks, an international application were to be filed then the international filing date would have dated back to the date when the Indian application was made. However, such is not the present case and the appellant having

consciously chosen a particular course is barred from claiming an alternate process.

25. In view of the foregoing discussion, we agree with the line of reasoning adopted by the learned Single Judge and direct the respondents that the date of 27.09.2012 be allotted as the international filing date to the application filed by the appellants subject to fulfilling of the necessary formalities mentioned by the learned Single Judge in accordance with the provisions of the Indian Patent Act, 1970 and the Patent Co-operation Treaty.

26. The appeal is dismissed in the aforementioned terms.

SIDDHARTH MRIDUL, J

BADAR DURREZ AHMED, J

DECEMBER 19, 2014
mk