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

Reserved on: December 01, 2022

% ***Pronounced on: December 22, 2022***

\+ **W.P.(C) 11136/2018**

DIEBOLD SELF SERVICE SYSTEMS ..... Petitioner

Through: Mr. Peeyoosh Kalra, Mr. Vineet Rohilla, Mr. Rohit Rangi, Mr. Rohan J. Kapoor, Ms. Nikita Anand, Mr. Debashish Banerjee and Mr. Ankush Verma, Advs.

Versus

UNION OF INDIA & ORS. .... Respondents

Through: Mr. Ravi Prakash, CGSC with Mr. Farmaan Ali, Mr. Varun Aggarwal and Ms. Usha Jamwal, Advs.

CORAM:
HON'BLE MR. JUSTICE MANMOHAN
HON'BLE MR. JUSTICE SAURABH BANERJEE

J U D G M E N T

SAURABH BANERJEE, J.

1. As per facts, the petitioner after initially filing US Patent application for grant of a patent on 12.10.2012, through its agents in the U.S.A, filed for grant of the same patent vide a Patent Cooperation Treaty[1] application before the World Intellectual Property Organization[2] on 14.10.2013 claiming priority therefrom. Thereafter, the petitioner was required to file the National Phase application for the grant of the same patent before the

[1] Hereinafter referred to as "**PCT**"
[2] Hereinafter referred to as "**WIPO**"

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

Indian Patent Office[3] within *thirty-one months* from the priority date, i.e., by 12.05.2015, as thereafter it was to be treated as withdrawn in terms of *Section 7A* of The Patent Act, 1970[4] read with *Rule 20(3)* of The Patent Rules, 2003[5]. However, the petitioner filed the said application before the IPO only after a delay of *five months four days* after expiry of the aforesaid period (date of actual filing) of *thirty-one months*, i.e., on 23.10.2015, albeit along with a petition under *Rule 137* of Patent Rules and official fees, accompanied by an affidavit explaining the delay from its side. As the aforesaid application of petitioner was filed beyond the statutory period of *thirty-one months*, no new application number was assigned by the IPO. As per respondents, there was neither any requirement of issuing a new number by the IPO nor there was any requirement of any communication to be sent to the petitioner of the said filing. However, as per petitioner, the respondents intimated the same to it after three years, without according any new number to the filing done by it and without giving any hearing to it, which was itself not permissible. The respondents had issued two communications dated 10.05.2018 and 14.05.2018 in regards to the request of the petitioner for disposal of its petition for reinstatement of patent rights stating therein that no actions in that regard could be taken as there was no requisite application filed by the petitioner in India.

2. It is thereafter that the petitioner has approached this Court vide the present writ petition seeking to declare *Rule 22* of Patent Rules as *ultra-virus* to the provisions of Patent Act and for quashing of the communications dated 10.05.2018 and 14.05.2018 issued by IPO and thence to take the National Phase application of petitioner on record.

---

[3] Hereinafter referred to as "**IPO**"
[4] Hereinafter referred to as "**Patent Act**"
[5] Hereinafter referred to as "**Patent Rules**"

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

3. As per petitioner, *Rule 22* of Patent Rules is *ultra vires* the provisions of Patent Act in as much as after filing an international PCT application under *Section 138* of Patent Act designating India, an applicant is required to pay the requisite official fees for the same by indicating its number in Form 1 along with translation of specification, if it is in any other language barring English, however, *Rule 22* of Patent Rules prescribes effect of non-compliance of *Rule 20* thereof, by extinguishing the rights of an applicant. The same is bad in law as Patent Act itself does not prescribe any consequence for non-compliance of procedural requirements of paying official fee and filing of translation. Further, save and except *Rule 22* of Patent Rules, all the instances under which the substantive rights can be extinguished have been provided under Patent Act itself, leaving nothing for the rule making authority.

4. As per petitioner, *Rule 22* of Patent Rules is beyond the scope and purview of the rule making power under *Section 159* of Patent Act as essential legislative function cannot be delegated in view of the fact that for any 'Rule' to have the effect of a statutory provision, it must (i) conform to provisions of the statute under which it is framed; and (ii) it must come within the scope and purview of the rule making power of the authority framing the rule. If both conditions are not fulfilled, the rule so framed would be void. Such being the position in the present case, the provisions of *Rule 22* of Patent Rules is void. Learned counsel for petitioner, in support of the aforesaid, relied upon ***General Officer Commanding-in-chief & Anr. vs. Dr. Subhash Candra Yadav & Anr.***[6], ***Additional District***

[6] (1988) 2 SCC 351

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

Magistrate(Rev) Delhi Admn. vs. Sheo Ram & Ors.[7] and ***Kunj Behari Lal Butail vs. State of Himachal Pradesh***[8].

5. Additionally, as per petitioner, *Rule 22* of Patent Rules clearly transgresses the powers conferred under *Section 159* of Patent Act, under which the rule making authority is only permitted to prescribe time limit and fees and has no power delegated to it for making a rule which decides substantive rights of an applicant. However, as per petitioner, *Rule 22* of Patent Rules extinguishes the substantive rights of an applicant, since it cannot be sub-delegated or be a part of delegated legislation. The same is an abdication of essential legislative function. In support of his aforesaid contention, learned counsel for petitioner relied upon ***Municipal Corporation of Delhi vs. Birla Cotton***[9] and ***Power Machines India Limited vs. State of Madhya Pradesh & Ors.***[10].

6. Also, as per petitioner, in view of *Rule 23* of Patent Rules made under Chapter III, which also includes *Rule 22,* the said rules are supplemental to The Patent Cooperation Treaty Rules[11] and Patent Cooperation Treaty Regulations[12] and in case of any conflict, the said PCT Rules and PCT Regulations are to prevail. It is in view thereof that as per petitioner, *Rule 22* of Patent Rules is inconsistent with *Rule 49.6* of PCT Regulations, which stipulates restoration of National Phase application of a PCT application if deadline for said filing National Phase application is missed. However, as per petitioner, though India has made a reservation under *Rule 49.6(f)* of the PCT Regulations but as the same is temporary/transitory, therefore, the respondents cannot rely on a transitory

[7] (2000) 5 SCC 451
[8] (2000) 3 SCC 40
[9] AIR 1968 SC 1232
[10](2017) 7 SCC 323
[11]Hereinafter referred to as "**PCT Rules**"
[12]Hereinafter referred to as "**PCT Regulations**"

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

reservation made twenty years ago. As such, *Rule 22* of Patent Rules is also inconsistent with *Article 48(2)(b)* of PCT Rules which mandates that a Contracting State shall excuse, for reasons admitted under its National Law, any delay in meeting any time limit, and with *Rule 137* of Patent Rules, which in fact, provides discretionary powers to the Controller (IPO) to correct any irregularities in the procedure.

7. Also, as per petitioner, in a situation where India is a signatory Nation to an International Treaty and a Statute is made/ amended to enforce a Treaty obligation, if there is any difference between the language of such Statute and a corresponding provision of the Treaty, the statutory language should be construed in the same sense as that of the Treaty. In furtherance thereof, the learned counsel for petitioner had drawn the attention of this Court to *Article 64(7)* of PCT Rules which makes it abundantly clear that "*No reservations to this Treaty other than the reservations under paragraphs (1) to (5) are permitted.*" and *Rule 49.6* of PCT Regulations is not covered within the ambit of paragraph (1) to (5) of *Article 64* of PCT Rules since *Rule 49.6* of PCT Regulations has been framed under Chapter I of PCT Rules. For this learned counsel for the petitioner relied upon ***Commissioner of Customs, Bangalore vs. G.M. Exports and Ors.***[13]

8. Further, as per petitioner, *Rule 22* of Patent Rules, is directory, and not mandatory and while determining whether a provision is mandatory or directory, it is for the Court to determine various factors, including the overall context, the intention of the legislature, the overall structure and purpose and the consequences therefrom. In continuation of the above, as per petitioner, except *Rule 22* of Patent Rules, all the instances under which the substantive rights of an applicant can be extinguished have been

[13] (2016) 1 SCC 91

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

provided under the Act itself and have not been left to be decided by the rule making authority and as the purpose of Patent Act is to protect the rights of the inventors in new, inventive and useful inventions, non-compliance of certain procedural requirements should not result in complete extinguishment of inventor's rights in India. For this, the learned counsel for petitioner contended that it is settled law that when a statute is passed for the purpose of enabling something and prescribes the formalities which are to be attended for the purpose, those prescribed formalities which are essential to the validity of such thing, would be mandatory, however, if by holding them to be mandatory, serious general inconvenience is caused to innocent persons or general public, without furthering the object of the Act, the same would be construed as directory.

9. Further, as per petitioner, except a very few countries, all countries including Europe, USA and Australia who are signatories to the PCT, have provisions for restoration of a National Phase application if the deadline for filing the same is missed unintentionally. Thus, an anomaly is created due to *Rule 22* of Patent Rules in as much as though an Indian applicant can restore its National Phase application abroad, no international applicant can restore its National Phase application in India.

10. Lastly, it is the case of petitioner that in the present case, the IPO has erred in issuing the impugned communications as they are against the principles of natural justice and have been issued without following the recognized principle of *"audi alteram partem"* and such acts are against provisions of *Rule 129* of Patent Rules. Further, even though the Controller (IPO) is empowered to correct irregularity in procedure by accepting the fees of National Phase application, the said power was not exercised in favour of the petitioner.

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

11. Per contra, according to respondents, the legislature is the body empowered to formulate a policy as deemed appropriate and it may delegate legislative work to an authority for accomplishing the said task. In terms of *Section 7(1A)* and *Section 21* of Patent Act, it is incumbent to file a corresponding application before the IPO for it to be considered under the Patent Act within the stipulated time as failure to do so would render the application to be treated as abandoned. Admittedly, in the present case, the petitioner never filed the said application within the stipulated time period and thus the same was (deemed to be) abandoned.

12. As per respondents, in view of provisions contained in *Section 159* of Patent Act, the Central Government is empowered to frame rules and prescribe time limits to be followed under the said Act and further *Section 160* of Patent Act mandates that all the said rules framed under *Section 159* of Patent Act shall be laid before both houses of Parliament and only after they are passed in the said Houses, that they are incorporated. As such, as per respondents, the Rules have been framed under *Section 159* of Patent Act and the *Rule 20(4)* of Patent Rules prescribing the time limit of *thirty-one* months from priority date as referred to in *Article 2(xi)*[14] of the PCT Rules, is also in furtherance of *Section 21* of Patent Act.

---

[14] *"**Article 2(xi)**: **"priority date,"** for the purposes of computing time limits, means: (a) where the international application contains a priority claim under Article 8, the filing date of the application whose priority is so claimed; (b) where the international application contains several priority claims under Article 8, the filing date of the earliest application whose priority is so claimed;"*

*"**Article 8: Claiming Priority** (1) The international application may contain a declaration, as prescribed in the Regulations, claiming priority of one or more earlier applications filed in or for any country party to Paris Convention for protection of Industrial Property. (2)(a) Subject to provisions of subparagraph (b), the conditions for, and the effect of, any priority claim declared under paragraph (1) shall be as provided in Article 4 of the Stockholm Act of Paris Convention for protection of Industrial Property. (b) The international application for which priority of one or more earlier applications filed in or for a Contracting State is claimed may contain the designation of that State. Where, in the international application, priority of one or more national applications filed in or for a designated State is claimed, or where priority of an international application having designated only one State is claimed, the conditions for, and the effect of, priority claim in that State shall be governed by the national law of that State."*

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

13. Drawing a comparison between the existing *Rule 138* of Patent Rules after the amendment in 2016 and the previous unamended *Rule 138* prior thereto, as per respondents, the power to extend the time for filing an application by one month to the Controller is no more there and that under *Rule 138* of Patent Rules, an exception has been created under *Rule 20(4)* thereof. Accordingly, Patent Act itself provides for abandonment consequently so there is no delegation of any kind. For this reliance has been placed upon a decision rendered by this Court in ***Nippon Steel Corporation vs. Union of India***[15].

14. As per respondents, there is no conflict between *Rule 22* of Patent Rules with *Article 49.6* of PCT Rules, as the same only provides for reinstatement of rights after failure to perform the acts referred to under *Article 22* of PCT Rules. Even otherwise, PCT Rules make provisions for a State to apprise the WIPO about non-acceptance of a Clause which is not compatible with the National Law, which in the present case, *admittedly*, has already been notified by India as it has claimed an exception under *Article 49.6(f)* of PCT Rules.

15. Refuting that the use of the word "shall" in *Rule 22* of Patent Rules is directory and not mandatory, as per respondents, the said word "shall" in fact casts an obligation and provides for consequences in case of failure to fulfil such obligations. Reliance in this regard is placed upon ***Sharif-Ud-Din vs. Abdul Gani Lone***[16] by the learned counsel for respondents.

16. We have heard the learned counsels for parties at length and have been ably assisted by them in going through the documents on record along with those handed over during the course of hearing including the various judgements relied upon by both of them. Amongst the numerous grounds

[15] 2011 SCC OnLine Del 669
[16] (1980) SCR (1) 1177

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

taken by the petitioner, this Court has taken into consideration only those which have been put forth by the learned counsel for petitioner during the course of his arguments.

17. Though the case of the petitioner is primarily restricted to declaration of *Rule 22* of Patent Rules as being *ultra-virus* the provisions of the Patent Act, during the course of arguments, learned counsel for petitioner has taken us through various provisions of the Patent Act, the Patent Rules, the PCT Rules and the PCT Regulations, to contend that Indian Patent law needs a change as it is not in synchronization with the Patent Laws of the World.

18. Before proceeding any further, for the purposes of better elucidation of the facts involved in present petition, it is imperative to reproduce few of the relevant provisions of the Act(s) and Rule(s) involved in the present petition, which are as under: -

> ***Patent Cooperation Treaty, Washington, June 19, 1970:***
>
> *"**Article 20: Communication to Designated Offices***
>
> *(1)(a) The international application, together with the international search report (including any indication referred to in Article 17(2)(b)) or the declaration referred to in Article 17(2)(a), shall be communicated to each designated Office, as provided in the Regulations, unless the designated Office waives such requirement in its entirety or in part. (b) The communication shall include the translation (as prescribed) of the said report or declaration. (2) If the claims have been amended by virtue of Article 19(1), the communication shall either contain the full text of the claims both as filed and as amended or shall contain the full text of the claims as filed and specify the amendments, and shall include the statement, if any, referred to in Article 19(1)."*
>
> *"**Article 21: International Publication***
>
> *(1) The International Bureau shall publish international applications. (2)(a) Subject to the exceptions provided for in subparagraph (b) and in Article 64(3), the international publication of the international application shall be effected promptly after the expiration of 18 months*

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

from priority date of that application. (b) The applicant may ask the International Bureau to publish his international application any time before the expiration of the time limit referred to in subparagraph (a). The International Bureau shall proceed accordingly, as provided in the Regulations. (3) The international search report or the declaration referred to in Article 17(2)(a) shall be published as prescribed in the Regulations. (4) The language and form of the international publication and other details are governed by the Regulations. (5) There shall be no international publication if the international application is withdrawn or is considered withdrawn before the technical preparations for publication have been completed. (6) If the international application contains expressions or drawings which, in the opinion of the International Bureau, are contrary to morality or public order, or if, in its opinion, the international application contains disparaging statements as defined in the Regulations, it may omit such expressions, drawings, and statements, from its publications, indicating the place and number of words or drawings omitted, and furnishing, upon request, individual copies of passages omitted"

*"**Article 22: Copy, Translation, and Fee, to Designated Offices***

(1)The applicant shall furnish a copy of the international application (unless the communication provided for in Article 20 has already taken place) and a translation thereof (as prescribed), and pay the national fee (if any), to each designated Office not later than at the expiration of 301 months from priority date. Where the national law of the designated State requires the indication of the name of and other prescribed data concerning the inventor but allows that these indications be furnished at a time later than that of the filing of a national application, the applicant shall, unless they were contained in the request, furnish the said indications to the national Office of or acting for the State not later than at the expiration of 301 months from priority date. (2) Where the International Searching Authority makes a declaration, under Article 17(2)(a), that no international search report will be established, the time limit for performing the acts referred to in paragraph (1) of this Article shall be the same as that provided for in paragraph (1). (3) Any national law may, for performing the acts referred to in paragraphs (1) or (2), fix time limits which expire later than the time limit provided for in those paragraphs."

Patent Cooperation Treaty Regulations

*"**Rule 48 International Publication***

48.2 Contents (a) The publication of the international application shall contain: (i) a standardized front page; (ii) the description; (iii) the claims; (iv) the drawings, if any; (v) subject to paragraph (g), the international search report or the declaration under Article 17(2)(a);

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

(vi) any statement filed under Article 19(1), unless the International Bureau finds that the statement does not comply with provisions of Rule 46.4; (vii) where the request for publication under Rule 91.3(d) was received by the International Bureau before the completion of the technical preparations for international publication, any request for rectification of an obvious mistake, any reasons and any comments referred to in Rule 91.3(d); (viii) the indications in relation to deposited biological material furnished under Rule 13bis separately from the description, together with an indication of the date on which the International Bureau received such indications; (ix) any information concerning a priority claim referred to in Rule 26bis.2(d); (x) any declaration referred to in Rule 4.17, and any correction thereof under Rule 26ter.1, which was received by the International Bureau before the expiration of the time limit under Rule 26ter.1; (xi) any information concerning a request under Rule 26bis.3 for restoration of the right of priority and the decision of the receiving Office upon such request, including information as to the criterion for restoration upon which the decision was based."

"**Rule 49 Copy, Translation and Fee under Article 22**

49.6 Reinstatement of Rights after Failure to Perform the Acts Referred to in Article 2210 (a) Where the effect of the international application provided for in Article 11(3) has ceased because the applicant failed to perform the acts referred to in Article 22 within the applicable time limit, the designated Office shall, upon request of the applicant, and subject to paragraphs (b) to (e) of this Rule, reinstate the rights of the applicant with respect to that international application if it finds that any delay in meeting that time limit was unintentional or, at the option of the designated Office, that the failure to meet that time limit occurred in spite of due care required by the circumstances having been taken. (b) The request under paragraph (a) shall be submitted to the designated Office, and the acts referred to in Article 22 shall be performed, within whichever of the following periods expires first: (i) two months from the date of removal of the cause of the failure to meet the applicable time limit under Article 22; or (ii) 12 months from the date of the expiration of the applicable time limit under Article 22; provided that the applicant may submit the request at any later time if so permitted by the national law applicable by the designated Office. (c) The request under paragraph (a) shall state the reasons for the failure to comply with the applicable time limit under Article 22. (d) The national law applicable by the designated Office may require: (i) that a fee be paid in respect of a request under paragraph (a); (ii) that a declaration or other evidence in support of the reasons referred to in paragraph (c) be filed. (e) The designated Office shall not refuse a request under paragraph (a) without giving the applicant the opportunity to make observations on the intended refusal within a time limit which shall be reasonable under the

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

circumstances. (f) If, on October 1, 2002, paragraphs (a) to (e) are not compatible with the national law applied by the designated Office, those paragraphs shall not apply in respect of that designated Office for as long as they continue not to be compatible with that law, provided that the said Office informs the International Bureau accordingly by January 1, 2003. The information received shall be promptly published by the International Bureau in the Gazette."

The Patent Act, 1970

*"**Section 7**. Form of application.—(1) Every application for a patent shall be for one invention only and shall be made in prescribed form and filed in The Patent office.*
(1A) Every international application under The Patent Cooperation Treaty for a patent, as may be filed designating India shall be deemed to be an application under this Act, if a corresponding application has also been filed before the Controller in India.
(1B) The filing date of an application referred to in sub-section (1A) and its complete specification processed by The Patent office as designated office or elected office shall be the international filing date accorded under The Patent Cooperation Treaty"

*"**Section 21.** Time for putting application in order for grant.—(1) An application for a patent shall be deemed to have been abandoned unless, Within such period as may be prescribed, the applicant has complied with all the requirements imposed on him by or under this Act, whether in connection with the complete specification or otherwise in relation to the application from the date on which the first statement of objections to the application or complete specification or other documents related thereto is forwarded to the applicant by the Controller. Explanation.—Where the application for a patent or any specification or, in the case of a convention application or an application filed under The Patent Cooperation Treaty designating India any document filed as part of the application has been returned to the applicant by the Controller in the course of proceedings, the applicant shall not be deemed to have complied with such requirements unless and until he has re-filed it or the applicant proves to the satisfaction of the Controller that for the reasons beyond his control such document could not be re-filed. (2) If at the expiration of the period as prescribed under sub section (1),— (a) an appeal to the High Court is pending in respect of the application for The Patent for the main invention; or (b) in the case of an application for a patent of addition, an appeal to the High Court is pending in respect of either that application or the application for the main invention, the time within which the requirements of the Controller shall be complied with shall, on an application made by the applicant before the expiration of the period as prescribed under sub-section (1), be extended until such*

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

date as the High Court may determine. (3) If the time within which the appeal mentioned in sub-section (2) may be instituted has not expired, the Controller may extend the period as prescribed under subsection (1), to such further period as he may determine: Provided that if an appeal has been filed during the said further period, and the High Court has granted any extension of time for complying with the requirements of the Controller, then the requirements may be complied with within the time granted by the Court."

*"**Section 159**. Power of Central Government to make rules. — (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act. (2) Without prejudice to the generality of the foregoing power, the Central Government may make rules to provide for all or any of the following matters, namely:— (i) the form and manner in which any application for a patent, any specifications or drawings and any other application or document may be filed in The Patent office; (ia) the period which the Controller may allow for filing of statement and undertaking for in respect of applications under sub-section (1), the period within which the details relating to processing of applications may be filed before the Controller and the details to be furnished by the applicant to the Controller under sub-section (2) of section 8; (ib) the period within which a reference to the deposit of materials shall be made in the specification under sub-clause (A) of clause (ii) of proviso to sub-section (4) of section 10; (ic) the period for which application for patent shall not be open to the public under sub-section (1) and the manner in which the applicant may make a request to the Controller to publish his application under sub-section (2) of section 11 A; (id) the manner of making the request for examination for an application for patent and the period within which such examination shall be made under sub-sections (1) and (3) of section 11B; (ie) the manner in which an application for withdrawal of an application for grant of a patent shall be made and the period within which a request for examination from the date of revocation of secrecy directions shall be made under proviso to sub-section (4) of section 11B. (ii) the time within which any act or thing may be done under this Act, including the manner in which and the time within which any matter may be published under this Act; (iii) the fees which may be payable under this Act and the manner and time of payment of such fees; (iv) the matters in respect of which the examiner may make a report to the Controller; (v) the manner in which and the period within which the Controller shall consider and dispose off a representation under sub-section (1) of section 25; (va) the period within which the Controller is required to dispose of an application under section 39;(vi) the form and manner in which and the time within which any notice may be given under this Act; (vii) provisions which may be inserted in an order for restoration of a patent for protection of persons who may have availed themselves of the subject-matter of The Patent after The Patent had ceased; (viii) the establishment of branch*

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

offices of The Patent office and the regulation generally of the business of The Patent office, including its branch offices; (ix) the maintenance of the register of patents and the safeguards to be observed in the maintenance of such register in computer floppies, diskettes or any other electronic form and the matters to be entered therein; (x) the matters in respect of which the Controller shall have powers of a civil court; (xi) the time when and the manner in which the register and any other document open to inspection may be inspected under this Act; (xii) the qualifications of, and preparation of a roll of, scientific advisers for the purpose of section 115; (xiia) the salaries and allowances and other conditions of service of the officers and other employees of the Appellate Board under subsection (2) and the manner in which the officers and other employees of the Appellate Board shall discharge their functions under subsection (3) of section 117; (xiib) the form of making an appeal, the manner of verification and the fee payable under sub-section (3) of section 117A; (xiic) the form in which, and particulars to be included in the application to the Appellate Board under sub-section (1) of section 117D; (xiii) the manner in which any compensation for acquisition by Government of an invention may be paid; (xiv) the manner in which the register of patent agents may be maintained under subsection (1) of section 125 and the safeguards to be observed in the maintenance of such register of patent agents on computer floppies, diskettes or any other electronic form under subsection (2) of that section; the conduct of qualifying examinations for patent agents; and matters connected with their practice and conduct, including the taking of disciplinary proceedings against patent agents for misconduct; (xv) the regulation of the making, printing, publishing and selling of indexes to, and abridgements of, specifications and other documents in The Patent office; and the inspection of indexes and abridgements and other documents; (xvi) any other matter which has to be or may be prescribed. (3) The power to make rules under this section shall be subject to condition of the rules being made after previous publication: Provided that the Central Government may, if it is satisfied that the circumstances exist which render it practically not possible to comply with such condition of previous publication, dispense with such compliance."

*"**Section 160**. Rules to be placed before Parliament.—Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however,*

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule."

The Patent Rules, 2003

*"**Rule 20.** International applications designating or designating and electing India. — (1) An application corresponding to an international application filed under Patent Cooperation Treaty may be made in Form 1 under sub-section (1A) of section 7. Explanation.- For the purpose of this rule, "an application corresponding to an international application‖ means" an international application as filed under Patent Cooperation Treaty which includes any amendments made by the applicant under Article 19 and communicated to Designated Office under Article 20 or any amendment made under sub-clause (b) of clause (2) of Article 34 of the Treaty: Provided that the applicant, while filing such application corresponding to an international application designating India, may delete a claim, in accordance with provisions contained in rule 14.‖. (2) The Patent Office shall not commence processing of an application filed corresponding to international application designating India before the expiration of the time limit prescribed under sub-rule (4) (i). (3) An applicant in respect of an international application designating India shall, before the time limit prescribed in sub-rule (4)(i),— (a) pay prescribed national fee and other fees to The Patent office in the manner prescribed under these rules and under the regulations made under the Treaty; (b) and where the international application was either not filed or has not been published in English, file with The Patent office, a translation of the application in English, duly verified by the applicant or the person duly authorised by him that the contents thereof are correct and complete. (4) (i) The time limit referred to in sub-rule (2) shall be thirty one months from priority date as referred to in Article 2(xi); (ii) Notwithstanding anything contained in clause (i), The Patent Office may, on the express request filed in Form 18 along with the fee specified in First Schedule, process or examine the application at any time before thirty one months. (5) The translation of the international application referred to in sub-rule (3) shall include a translation in English of,— (i) the description; (ii) the claims as filed; (iii) any text matter of the drawings; (iv) the abstract; and (v) in case the applicant has not elected India and if the claims have been amended under Article 19, then the amended claims together with any statement filed under the said Article; (vi) in case the applicant has elected India and any amendments to the description, the claims and text matter of the drawings that are annexed to the international preliminary examination report. (6) If the applicant fails to file a translation of the amended claims and annexures referred to in sub-rule (5), even after invitation from the appropriate office to do so, within a time limit as may be fixed by that office having regard to the time left for meeting the requirements, the amended claims and annexures shall be*

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

disregarded in the course of further processing the application by the appropriate office. (7) The applicant in respect of an international application designating India shall when complying with sub-rule (3), preferably use Forms set out in the Second Schedule before the appropriate office as designated office."

*"**Rule 22**. Effect of non-compliance with certain requirements. — An international application designating India shall be deemed to be withdrawn if the applicant does not comply with the requirements of rule 20."*

*"**Rule 137.** Powers of Controller generally. —Any document for the amendment of which no special provision is made in the Act may be amended and any irregularity in procedure which in the opinion of the Controller may be obviated without detriment to the interests of any person, may be corrected if the Controller thinks fit and upon such terms as he may direct."*

*"**Rule 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."*

19. A bare perusal of *Article 22* of PCT Rules hereinabove reveals that it is incumbent upon an applicant to furnish a copy of the international application (unless the communication provided for in *Article 20* of PCT Rules has already taken place) along with a translation thereof, if required, with payment of National fee, to each designated National Office not later than at the expiration of *thirty* months from priority date. Not only that, the same *Article 22* of PCT Rules also provides that where the National Law of the designated State requires the indication of the name and other prescribed data concerning the inventor and allows that these indications be furnished at a time later than that of the filing of a National Phase

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

application, the applicant shall, unless the said details were contained in the request, furnish the said indications to the National Office of or acting for the State not later than at the expiration of *thirty* months from priority date. Thus, in essence, as expressly provided, the time for filing a National Phase application before the IPO in India is to be *thirty* months.

20. A perusal of *Section 7(1A)* of Patent Act reveals that for grant of a patent in India, an applicant has to mandatorily file a corresponding application before the IPO for all International applications under the PCT designating India within prescribed period of *thirty-one* months in compliance of the various requirements in terms of *Section 21* of Patent Act or else the same shall deemed to be abandoned. As such, save and except unless an applicant like the petitioner herein has filed the application in time, in compliance of the stipulated provisions of *Sections 7(1A)* and *21* of Patent Act, there is no application filed by the applicant before the Controller (IPO). It is noteworthy that though only a period of *thirty* months from priority date is available to an applicant as per *Article 22* of PCT Rules, however, as per *Section 21* of Patent Act, the very same applicant has been granted an extension of one month i.e., total of *thirty-one* months, to file such an application. We find that there is nothing wrong with the same and in fact it is in complete adherence to the PCT Rules.

21. Filing of an application for a patent (at different levels- initial application before country, another application before the WIPO and lastly a National Phase application before the Designation Office), within the stipulated time frame is of utmost importance. It is for this reason that the whole purpose of the patent regime worldwide is to recognize an applicant after according due chance of filing and letting the said applicant enjoy complete protection for the entire period but, at the same time it does not

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

provide for enabling the said applicant to enjoy an overall monopoly for any 'extended' period beyond the expiry of the mandatory recognized life of a patent. It is in view of the aforesaid that there is no provision for extension of a stipulated life of a patent as it becomes the part of the public domain after its expiry.

22. The contention of the petitioner that some leeway should be granted to the applicant such as the petitioner herein in the form of a remedy beyond the statutory period of *thirty-one* months holds no merit on two accounts, firstly since instead of *thirty* months, one extra month has already been granted for filing the National Phase application in India and secondly, such a benefit cannot be extended to any applicant at the very first/ initial stage, i.e., at the time of filing a new application in India. In our view, such a benefit cannot be extended at the initial stages of filing a new application to a new entrant/ applicant in India, as such.

23. Hence to preserve the purpose or/and object of limitation itself, the petitioner had to initiate requisite steps for initiation of National Phase application, as no provision is present for a leeway in a primary/initiating stage but, the same does find a mention under *Rule 80* of Patent Rules as it is the subsequent stage whence, the delay can be condoned as seen under *Rule 6(5)* of Patent Rules (which have not been reproduced hereinabove since they are not requisite for adjudication of present issues).

24. Furthermore, and in any event, in terms of *Rule 49(b)* of PCT Regulations, any request for seeking reinstatement of rights after failure to perform the acts under *Article 22* of PCT Rules are to be submitted at the designated Office within the time period prescribed therein, i.e. within *two* months of the date of removal of the cause of failure to meet the applicable time period under *Article 22* of PCT Rules or within *twelve* months from

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

the date of expiration of the applicable time period therein or whichever expires first. Not only that, as per *Rule 49(f)* of PCT Regulations, if for any reason, any of the other clauses of the said *Rule 49(1) to (5)* of PCT Regulations are not compatible with the National Law applied by the designated Office, those clause(s) shall not apply in respect of that designated Office for as long as they continue not to be compatible with that PCT, provided that the said Office informs the International Bureau accordingly by 01.01.2003. Admittedly, India has already initiated the requisite steps under *Rule 49(f)* of PCT Regulations.

25. In view thereof, both PCT Rules and the PCT Regulations recognize, understand, and permit the changes for any designated State/ Office and as long as they are not incompatible or in disagreement with them, according to us, there is and cannot be anything wrong in it.

26. Interestingly, as borne out from what has been enumerated in *Section 160* of the Patent Act, all rules framed under *Section 159* of the said Act have to be placed before both Houses of Parliament. In present case, both the Patent Act and the Patent Rules were enacted and the subsequent modifications therein have been carried out after following procedures set out in *Section 160* of Patent Act. Similarly, the time limit prescribed under *Rule 20(4)* of Patent Rules is in consonance with *Section 21* of the said Act.

27. The same issue came for consideration before a learned Single Judge of this Court in the case of ***Nippon Steel (Supra)*** wherein it has been observed as under:

> *"25. There is a logic to the time limits set out under the Act. The scheme of the Act and the Rules require time-bound steps to be taken by applicants for grant of patent at various stages. provisions of the Act and the Rules have to expressly reflect the legislative intent to permit relaxation of time limits, absent which such relaxation cannot be 'read into' provisions by a High Court exercising powers under Article 226 of the Constitution. In other words, it is not possible for this Court to accept the submission of the learned Senior counsel for the Petitioner*

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

that the time-limits under Section 11-B(1) of the Act read with Rule 24-B of the Rules, notwithstanding Section 11-B(4) of the Act, are merely 'directory' and not mandatory. "

28. Lastly, the contention of the petitioner that the use of the word "shall" in *Rule 22* of Patent Rules has to be read as "may" is in total contravention of the Patent Act and the Patent Rules in view of the surrounding circumstances including provisions of PCT Rules and PCT Regulations. On one hand, otherwise, the word "shall" in the common parlance being synonymous with words such as 'must', 'ought' and 'should' is always meant to mean more in the 'constructive' sense. Similarly, a literal meaning of the word "shall" is meant to connote something which is positive in all sense. Generally, the use of the word "shall" signifies which 'ought to be' or 'has to be' and which is 'mandatory'. In legal parlance also, unless and until it is conveyed or understood otherwise, the word "shall" is meant to denote something which mandatorily is in the nature of a 'dictum' for all purposes. Conversely on the other hand, the word "may" in common parlance being synonymous with words like 'can', 'permit' and 'possibility' is more in the semi-constructive sense. A literal meaning of the word "may" is meant to connote something which is fluid and is dependent. Generally, the use of the word "may" signifies 'there can be' or 'there might be' and that which is 'directory'. The word "may" in the common parlance is meant to denote 'can', i.e., less than definitive. In legal parlance also, unless and until it is stated otherwise, the word "may" denotes something which is discretionary for all purposes. According to us, in the present case, the word "shall" has to be given a literal meaning as it cannot be read down as "may".

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

29. The Hon'ble Supreme Court in the case of ***State of Haryana vs. Raghubir Dayal***[17] while interpreting the word "shall" has observed as under: -

> *"5. The use of the word 'shall' is ordinarily mandatory but it is sometimes not so interpreted if the scope of the enactment, on consequences to flow from such construction would not so demand. Normally, the word 'shall' prima facie ought to be considered mandatory but it is the function of the court to ascertain the real intention of the legislature by a careful examination of the whole scope of the statute, the purpose it seeks to serve and the consequences that would flow from the construction to be placed thereon. The word 'shall', therefore, ought to be construed not according to the language with which it is clothed but in the context in which it is used and the purpose it seeks to serve. The meaning has to be ascribed to the word 'shall' as mandatory or as directory, accordingly. Equally, it is settled law that when a statute is passed for the purpose of enabling the doing of something and prescribes the formalities which are to be attended for the purpose, those prescribed formalities which are essential to the validity of such thing, would be mandatory. However, if by holding them to be mandatory, serious general inconvenience is caused to innocent persons or general public, without very much furthering the object of the Act, the same would be construed as directory.*
>
> ***xxxx***
>
> *7. Therefore, the word 'shall' used in Section 4(1) should be construed to be mandatory because the requirement of Section 4(1) of the publication of the notification in the Gazette followed by their publication in the newspapers perhaps in some cases may not meet the needed purpose of notice to the owner or person claiming interest in the land proposed to be acquired. For instance, in rural areas most agriculturists may not read even the vernacular newspapers. Their fields are their world and work therein is their breadwinner. They would come to know only if the substance*

[17] (1995) 1 SCC 133

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

of the notification is published (announced) in the village by beat of drum. Therefore, publication of the substance of the notification of Section 4(1) and in the locality is mandatory but it is not the requirement of the law that it be done simultaneously with the publication in the Gazette or newspapers. Though there is a time gap of more than six months between the date of the notification under Section 4(1) in the State Gazette and the date of the publication of the substance of the notification in the locality, the delay by itself does not render the notification under Section 4(1) published in the State Gazette, invalid."

30. Keeping in mind the above position, factual and legal, the use of the word "shall" in *Rule 22* of the Patent Rules is meaning 'mandatory' instead of 'directory'. As a necessary corollary this Court, finds able support in case of ***Sharif-ud-din (Supra)*** wherein it has been observed as under: -

" The difference between a mandatory rule and a directory rule is that while the former must be strictly observed, in the case of the latter substantial compliance may be sufficient to achieve the object regarding which the rule is enacted. Certain broad propositions which can be deduced from several decisions of courts regarding the rules of construction that should be followed in determining whether a provision of law is directory or mandatory may be summarised thus: The fact that the statute uses the word "shall" while laying down a duty is not conclusive on the question whether it is a mandatory or directory provision. In order to find out the true character of the legislation, the court has to ascertain the object which provision of law in question has to subserve and its design and the context in which it is enacted. If the object of a law is to be defeated by non-compliance with it, it has to be regarded as mandatory. But when a provision of law relates to the performance of any public duty and the invalidation of any act done in disregard of that provision causes serious prejudice to those for whose benefit it is enacted and at the same time who have no control over the performance of the duty, such provision should be treated as a directory one. Where, however, a provision of law prescribes that a certain act has to be done in a particular manner by a person in order to acquire a right and it is coupled with another provision which confers an immunity on another when such act is not done in that manner, the former has to be regarded as a mandatory one. A procedural rule ordinarily should not be construed as mandatory if the defect in the act done in pursuance of it can be cured by permitting appropriate rectification to be carried out at a subsequent stage unless by according such permission to rectify the error later on, another rule would be contravened. Whenever a statute

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

prescribes that a particular act is to be done in a particular manner and also lays down that failure to comply with the said requirement leads to a specific consequence, it would be difficult to hold that the requirement is not mandatory and the specified consequence should not follow"

31. The contention of learned counsel for petitioner that provisions of extension for filing a National Phase application under patent law is available to an applicant in other counties barring India and thus should be made available/adopted in India holds no water due to the fact that admittedly, *Rule 49* of PCT Regulations permits each Nation to choose and make the requisite changes as per the prevailing conditions. India has done so, giving due weightage to PCT Rules and PCT Regulations so there is nothing with which any fault can be found or which would require any change.

32. Though the main shape and form of the patent law in India was taken from the patent law in England, however, with time, numerous changes have been brought. There are some inventions for which a patent can or cannot be granted in India and situation may not be the same in other countries. In any event, the patent laws of India are made best suited to the laws of this land, which cannot be similar in all aspects to the laws of the other lands (countries). Having said that, it should not be inferred from the above that the patent laws of India are not in conformity with the provisions of Patent Laws of the World. At best, the steps involved and the criteria laid down therein maybe be inferred to be different.

33. We wish to note that, though the petitioner has cited plethora of judgments, few of which are specified hereinabove, we are afraid they do not and in fact, cannot come to the aid of the petitioner as they have no application to the facts of the present case. In fact, few of those judgments strengthen the findings of this Court that the provision of *Rule 22* of Patent

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

Rules is not against the provisions of Patent Act and is rather in consonance with provisions of the said Act. In view of the aforesaid, it is quite abundantly clear that *Rule 22* of Patent Rules is not only in consonance with the object and reasonings of the Patent Act but also with the PCT Rules and PCT Regulations and there are no *Pari Materia* provisions in the PCT Rules or the PCT regulation even otherwise. Further, the contention of the petitioner that it was not provided with an opportunity of hearing and thus, there was a violation of principles of natural justice holds no water, since it was the petitioner who failed to comply with the statutory provisions of the Patent Act and Patent Rules to file the application within the stipulated time. Having not done so, by operation of law, there was no occasion for the respondents to give any hearing and /or reason as it was in common knowledge of all applicants like the petitioner herein that as there was no application before the Controller (IPO) of any kind, therefore there was no occasion of it being heard.

34. The above leaves little doubt for us to conclude that the reliefs sought in present writ petition cannot be granted as it does not evoke any confidence. Suffice to say, an applicant like the petitioner is bound by the Statute and the laws of the land. Having failed to file the requisite application within time with the requisite number, documents, and fees in compliance of the Patent Act, the petitioner is seeking to make a belated challenge. In fact, the petitioner is trying to flog a dead horse. If we agree with the said contention of the petitioner then the same will tantamount to opening a pandoras box and it will go against the very purpose of the PCT Rules, the PCT Regulations, The Patents Act, 1970 and The Patent Rules.

35. The Patents Act and the Patent Rules give due weightage/ acknowledgement to all the applications and incorporates all the checks and

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

balances for a patent to be secured for best possible period and whereby the applicant is granted a limited monopoly of *twenty* years, more so, whence there is no provision of renewal of the same patent beyond *twenty* years.

36. Having come to the aforesaid conclusion, according to us, there is no violation of any international treaty. Thus, reliance placed upon ***Commissioner of Customs (supra)*** by learned counsel for petitioner is misconceived. Moreover, *Rule 22* of Patent Rules is not *ultra-vires* in view of *Section 138* of Patent Act, and is not beyond the purview of *Section 159* of Patent Act. Further, the same does not involve any sub-delegation and the existing situation in India is neither short of, nor in contradiction with the international position/PCT.

37. The petitioner, under the garb of present writ petition is trying to claim pardon for not adhering to the stipulated timeline, which according to us, could not have been the intention of the legislature. The petitioner cannot be permitted to try and put the cart before the horse. A seasoned player like petitioner is well aware that a mistake done which cannot be undone by statute, certainly cannot sought to be undone, much less rectified, by virtue of an order of a Court of Law as the same being not permissible is all canons of justice. This Court cannot be privy to something which is against the worldwide convention, since the inception of recognition of a patent and the grant thereof. In fact, present writ petition is more of a knee jerk reaction, moreover, whence patent laws of India are on a different pedestal with regards to other Nations. Even otherwise, they do not need a change, as since the very inception, the various provisions of the Patent Act, the Patent Rules, the PCT Rules and PCT Regulations have always been in synchronization with each other.

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25

38. Accordingly, in view of the aforesaid factual position and settled law, present petition is dismissed, leaving parties to bear their own costs.

SAURABH BANERJEE, J.

MANMOHAN, J.

DECEMBER 22, 2022
rr

Signature Not Verified
Digitally Signed
By:BABLOO SHAH
Signing Date:22.12.2022
17:01:25