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\* IN THE HIGH COURT OF DELHI AT NEW DELHI

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*Date of Decision: 12<sup>th</sup> January, 2026*

+ C.A.(COMM.IPD-PAT) 44/2024 & I.A. 33003/2024

ITC LIMITED

.....Appellant

Through: Mr. Gaurav Pachnanda and Mr. J. Sai Deepak, Senior Advocates with Ms. Meenakshi Ogra, Mr. Tarun Khurana, Mr. Tapan Shah, Mr. Udbhav Gady and Mr. Samrat S. Kang, Advocates.

versus

THE ASSISTANT CONTROLLER OF PATENTS AND DESIGNS  
AND ANR

.....Respondents

Through: Ms. Nidhi Raman, CGSC with Mr. Om Ram and Mr. Arnav Mittal, Advocates for R-1.

Ms. Swati Mittal, Ms. Manisha Singh, Mr. Abhai Pandey, Mr. Manish Aryan, Ms. Meenakshi Chotia, Mr. Nishant Rai and Ms. Akhya Anand, Advocates for R-2.

**CORAM:**  
**HON'BLE MS. JUSTICE JYOTI SINGH**

**JUDGEMENT**

**JYOTI SINGH, J. (ORAL)**

1. This appeal is filed by the Appellant under Section 117A of The Patents Act, 1970 ('1970 Act') challenging order dated 08.04.2024 passed by Assistant Controller of Patents and Designs ('Controller'), whereby post-grant opposition filed by the Appellant against Patent No. 377333 has been rejected.



2. To the extent necessary, case of the Appellant is that Appellant is a conglomerate having diversified presence in *inter alia* packaged foods, personal care, education and stationery, cigarettes and cigars, hotels, agri-business etc. with considerable goodwill and reputation, operating in the country for more than 100 years. Appellant is also engaged in research and development of cigarette products and has access to the latest technology for cigarette manufacturing and is involved *inter alia* in the area of technology, to which impugned patent relates. Respondent No. 2 is PHILIP MORRIS PRODUCTS S.A. and Respondent No. 1 is the Controller, vested with powers to discharge functions as per Section 73(2) and Section 73(3) of 1970 Act.

3. It is stated in the appeal that Respondent No. 2 was granted Patent No. 377333 titled 'NON-TOBACCO NICOTINE CONTAINING ARTICLE' on 20.09.2021 on application No. 201617006134 and the same was published in the Patent Office Journal dated 24.09.2021. Post-grant opposition was filed by the Appellant under Section 25(2) of 1970 Act on 23.09.2022, to which reply statement was filed by Respondent No. 2 on 22.11.2022. Opposition Board rendered its recommendations on 15.05.2023. Hearing was fixed by the Controller for 10.11.2023, on which date the Appellant and Patentee were heard and thereafter the post-hearing submissions were filed by Respondent No. 2 on 24.11.2023 and by the Appellant on 27.11.2023. On 08.04.2024, impugned order was passed by the Controller rejecting the post-grant opposition and maintaining the patent.

4. Assailing the impugned order dated 08.04.2024, Mr. Gaurav Pachnanda, learned Senior Counsel for the Appellant strenuously urges that a plain reading of the order reflects that the same is a 'copy-paste' of the



contents of written submissions filed by Respondent No. 2 and there is no independent application of mind or analysis of the grounds of opposition raised by the Appellant in the post-grant opposition. To demonstrate this illustratively, attention of the Court is drawn to paragraphs 65 onwards of the impugned order, which contain the purported analysis, wherein the Controller has dealt with teachings of prior-art documents D1-D7 and has refused to accept that the impugned patent is obvious and lacks inventive step under Section 25(1)(ja) of 1970 Act. Contents of paragraph 75 of the impugned order, it is urged, are verbatim copy of the written submissions of Respondent No. 2 in the context of opposition under Section 25(2)(f) read with Section 3(e) of 1970 Act that the subject claim is not an invention. The argument is that the order reflects total non-application of mind and lack of independent analysis, which is not expected of quasi-judicial authorities.

5. It is further urged that the Controller has mechanically and without application of mind placed reliance on analysis and recommendation by the Opposition Board given on 15.05.2023, without appreciating that the Board's report suffers from grave factual and legal errors. It is pointed out that under the heading '*Controller's Inferences/Analysis*', Controller has in paragraph 72 simply extracted paragraphs from the report and expressed his agreement with the opinion of the Board on opposition under Section 25(2)(e) of 1970 Act. In the two sub-paragraphs of para 72 as also in paragraph 73, while the impression given is that Board's recommendations are being independently analysed and the observations are Controller's own observations, the fact to the contrary is that these paragraphs are verbatim copy-paste of Board's recommendations. Basis these alleged observations, Controller has concluded in paragraph 73 *albeit*



erroneously that documents D1 to D7 either alone or in any possible combination could not solve the problem in the patent and therefore, fail to teach or suggest all features of claim 1 of the impugned patent. Owing to the copy-paste, several factual omissions and errors, which form the basis of recommendations of the Opposition Board can be glaringly seen as forming the basis of rejection of opposition under Section 25(2)(e) of 1970 Act.

6. Learned Senior Counsel submits that the copy-paste mechanism has resulted in the impugned order being passed without application of mind and mechanically and this is a reason enough to set aside the same. It is submitted that as a quasi-judicial authority, dealing with matters of grant/refusal of patents, the Controller is expected to act independently and apply himself to the facts and material before him at all stages i.e. pre-grant, grant/refusal of patent as also post-grant opposition. Post-grant opposition is a serious stage in a patent process, as in a given case it is possible that the patent may have been granted erroneously. Reliance is placed on the judgments of this Court in *Synthes GMBH v. Controller General of Patents, Designs and Trademarks and Another, 2023 SCC OnLine Del 2729*; and *Huhtamaki Oyj and Another v. Controller of Patents, 2023 SCC OnLine Del 3272*; where the Courts set aside the impugned orders passed by the Controllers only on the ground that the orders were merely cut-copy-paste with no independent analysis or reasoning with serious observations on the manner in which the Controllers were routinely passing orders without reasons and/or even minimal application of mind.

7. Without prejudice to the aforesaid argument, it is argued that even on merits, the impugned order deserves to be set aside since the impugned patent is obvious and does not involve any inventive step, which is evident



from prior-arts D1-D7. The impugned patent discloses: (i) an aerosol-generating rod comprising a sheet of non-tobacco material where the sheet is gathered and circumscribed by a wrapper such that the sheet extends along substantially the entire length and across substantially the entire transverse cross-sectional area of the aerosol-generating rod; (ii) the sheet of non-tobacco material is crimped and comprises a plurality of ridges or corrugations substantially parallel to the cylindrical axis of the aerosol-generating rod; (iii) the sheet of non-tobacco material comprises a sorbent substrate, a nicotine salt and an aerosol-former; (iv) the sorbent substrate is a sheet of non-tobacco cellulosic-based material and the nicotine salt and the aerosol-former are coated or adsorbed onto the sheet of non-tobacco cellulosic-based material in; (v) a ratio of aerosol-former to nicotine salt in the sheet of non-tobacco material being between 3:1 and 10:1 in; and (vi) a non-combustible smoking article like e-cigarette. Controller has completely overlooked that D2 categorically states that proportion of humectants i.e., aerosol former such as glycerol is desirably in the range of 1% to 3%, preferably 1.5% to 2.5% and the proportion of nicotine (nicotine salts such as sulphate, citrate, malonate, malate etc.), when used is desirably in the range of up to 2% and preferably 0.5% to 1.5%. Simple mathematical conversion of ranges disclosed by D2 to ratios between the humectant and nicotine/nicotine salt would evince that prior-art document D2 inherently and by necessary implication teaches to use aerosol former and nicotine in the claimed ratio though described in percentages, which when converted, fall in the range of the ratios in the impugned patent and therefore, rejection of opposition owing to lack of inventive step suffers from legal infirmity. D2 also categorically teaches to prepare a cellulosic paper and then to



coat/impregnate the same with the additive comprising aerosol former and nicotine/nicotine salt in ratio of 1:1 to 5:1.

8. It is argued that the impugned patent is obvious and lacks inventive merit as *inter alia* D1 relates to rods comprising a gathered sheet of homogenised tobacco material for use in smoking articles, smoking articles comprising such rods and methods for forming such rods. Comparison of D1 and impugned patent shows that D1 discloses an aerosol-generating rod comprising a gathered sheet of homogenised tobacco material, wherein the gathered sheet comprises one or more aerosol-formers circumscribed by a wrapper and gathered sheet extends along substantially the entire length of the rod and across substantially the entire transverse cross-sectional area of the rod and the sheet is crimped and comprises plurality of ridges or corrugations substantially parallel to the cylindrical axis of the aerosol-generating rod. The difference resides in the composition of the rod i.e., use of non-tobacco cellulosic material but this is already well-known in the art. D1 teaches the use of non-tobacco fibres such as cellulose and the use of aerosol formers and humectants in the context of impugned patent. The prior art clearly teaches the draw backs of using tobacco substrate and motivates the use of cellulosic sheet material as tobacco substitute in smoking articles.

9. It is urged that D2 discloses a tobacco substitute comprising a combustible material together with minor proportions of flavouring and other modifying agents, wherein the combustible material is cellulosic in nature. D2 also teaches the use of humectants such as glycerol and nicotine salt in the cellulosic formulation. D2 also teaches proportion of glycerol and nicotine salt in the formulations:



*“The proportion of humectants is desirably in the range of 1 % to 3 %, based on the total airdry weight of the tobacco substitute*

*“The proportion of nicotine, when used, is desirably in the range of up to 2 %, based on the weight of the cellulose”*

10. Further, D2 teaches saturating/coating of the additives onto the cellulosic paper as in the impugned patent and Example 4 of D2 teaches the dipping of cellulosic paper into nicotine solution to form impregnated paper which are then formed into cigarettes. Illustratively, D3 discloses smoking material for use as substitute for tobacco prepared from natural leaf tobacco and D4 relates to a tobacco substitute material made principally from oxidized cellulose gauze or pulp and teaches the use of humectant in order to prevent the tobacco substitute from drying out unduly. D4 also teaches the impregnation of the cellulose sheets with additives. Submissions are also made on the prior arts D5 and D6. The argument is that impugned patent is obvious and lacks inventive step in light of D1 to D6 and starting from D1, a person skilled in the art, with a view to develop a non-tobacco aerosol-generating rod shall be motivated to replace the tobacco sheets with a tobacco substitute comprising cellulosic sheets comprising nicotine salt and aerosol formers in desired proportion, coated or absorbed onto the sheet of non-tobacco cellulosic-based sheet read together with the teachings of D2 or D2 and D5 or D2, D3/D4 and D5 or D2, D3/D4, D5 and D6 or D2, D3, D4, D5 and D6.

11. It is further argued that the impugned patent falls within the mischief of Section 2(1)(ja) being devoid of inventive step, which requires that the invention should be a technical advancement over the prior art or it should show economic significance or both and should not be obvious to a person



skilled in the art. The impugned patent is obvious to a person skilled in the art and does not involve either technical advancement or any economic significance. The patent also comes under the mischief of Section 3(e), which states that "*a substance obtained by a mere admixture resulting only in the aggregation of the properties of the components thereof or a process for producing such substance*", is not patentable under 1970 Act. The claimed aerosol-generating rod comprises a sheet of non-tobacco material comprising a sorbent substrate, a nicotine salt and an aerosol-former. The sorbent substrate is defined as a sheet of non-tobacco cellulosic-based material. The ratio of the aerosol-former to nicotine salt in the sheet of non-tobacco material has been further defined in claim 1 as between 3:1 and 10:1. The components of cellulosic substrate, nicotine salt and aerosol former and their combination for use in smoking articles is well known in the art (D2-D6). Also, desired proportion of these components is known. The sheet of non-tobacco material in the claimed aerosol-generating rod is nothing but a mere admixture of components. Patentee has failed to provide any experimental data in the impugned specification to demonstrate the synergy between the components. There is also no data in the impugned specification to show the effect of various combining ratios of aerosol-former to nicotine salt. In light of these grounds, learned Senior Counsel for the Appellant submits that this is a fit case for remand to the Controller for re-consideration of the post-grant opposition, after granting hearing to the parties and looking into their oral/written submissions and the material on record, including prior-arts D1-D7.

12. Counsel for the learned Controller submits that the impugned order is a well-reasoned, detailed and speaking order, passed after independent



application of mind and analysis, after considering all documents on record, including recommendations of the Opposition Board and detailed arguments, written and oral, advanced by the Appellant and the patentee. Appellant failed to discharge the burden that the patent deserves to be revoked under Section 25(2) of 1970 Act. Controller carefully analysed all prior-art documents D1-D7 and concluded that D1 to D7 either alone or in any possible combination could not solve the problem in the impugned patent and fail to teach or suggest all features of claim 1 of impugned patent and hence the ground under Section 25(2)(e) was not sustainable.

13. It is argued that the Controller correctly held that the invention involved an inventive step. The inventive concept of granted claims does not reside in any single feature but resides in the specific and new combination of multiple features, which were not taught by the prior art and this specific combination of features was not obvious. Prior arts like D2 to D4 relate to combustible cigarettes and address a different technical problem i.e., controlling combustion and thus teach away from the claimed invention, which is a heated, non-combustible system and a person skilled in the art would not be motivated to look to these documents.

14. It is further argued that even the closest prior arts D1 and D7 do not render the invention obvious inasmuch as D1 discloses a homogenised tobacco material and not a non-tobacco cellulosic substrate and fails to disclose the use of nicotine salt or the specific 3:1 or 10:1 ratio. D7 makes no mention of nicotine salts or of non-tobacco cellulosic substrate. D5 teaches casting a homogeneous slurry from the claimed invention, which requires coating or absorbing the active ingredients onto a separate sorbent substrate and this difference in the process results in a different product



structure i.e., homogeneous vs. non-homogeneous and a different technical effect i.e., faster release kinetics, which is not taught by D5. Appellant's argument that D2 discloses the claimed 3:1 to 10:1 ratio is fallacious. Firstly, this strange method of calculating percentages and converting to ratios was never raised before the Controller and secondly, the calculation is flawed as it improperly conflates humectant for moisture retention in a combustible product with aerosol-former for aerosol generation in a heated product. Hence, the ground that the patent is obvious and lacks inventive step is untenable in law.

15. It is submitted that the Controller is right in concluding that invention is saved from Section 3(e) of 1970 Act inasmuch as the granted claims are for an article i.e., an "*aerosol-generating rod*" (claim 1) and a "*system*" (claim 10) and not a "*substance*". Controller rightly agreed with patentee's submission, which he is entitled to, that the invention was not a simple admixture but was a meticulously crafted article with specific structural limitations (gathered, crimped sheet) wherein the components (substrate, nicotine salt, aerosol-former) work inter-dependently to achieve a synergistic technical effect. This effect includes achieving rapid and complete release of nicotine at low temperatures (120° C to 140° C) without the "*dry puff*" associated with prior art e-cigarettes. Controller correctly observed that "*the combination of a cellulosic substrate onto which a nicotine salt and aerosol former are added is not disclosed in the cited prior art documents*" and "*the desired proportion...is also not known*". Once the combination and proportion are novel, invention cannot be a "*mere admixture*" of known components. Hence, no ground is made out in the appeal, warranting interference in the impugned order.



16. Learned counsel appearing for Respondent No. 2/patentee opposes the appeal and submits that the impugned order is a well-reasoned and speaking order, wherein the Controller has analysed each feature of independent claim with respect to all grounds of opposition and documents cited therein. The allegation that the order is a '*copy-paste*' is baseless. Controller was bound to take note of the submissions of the patentee and this cannot be construed as if there is no independent analysis. All prior-art documents D1 to D7, have been seen and accorded due consideration, both when read individually and in combination. Agreeing with the patentee cannot imply that there is no independent application of mind.

17. It is *inter alia* argued that the invention claimed in the subject patent had several essential features as can be seen from the claim specification and provides technical advancement over prior art as follows:-

- "a. End user will not have to handle liquid formulations as the nicotine and aerosol former are coated onto sorbent substrate.*
- b. Use of nicotine salts may produce a nicotine-bearing aerosol at low temperatures making the use of cumbersome aerosol generating device to generate an aerosol with high levels of nicotine redundant.*
- c. Longer shelf-life than conventional e-cigarettes as nicotine used in salt forms is more stable than the liquid freebase nicotine used in e-cigarettes.*
- d. The content of nicotine in the aerosol-generating article can be adjusted and tailored by adjusting the content of nicotine salt.*
- e. By selecting specific cellulose based non-tobacco materials for the sheet, it is also possible to tailor other geometric parameters (e.g., the sheet thickness) as well as the tensile strength of the sheet in ways that may not be possible with homogenized tobacco materials.*
- f. By collective structural and compositional modification, the associated electronic nicotine delivery systems are able to provide nicotine level similar to that of tobacco cigarette smoking without drawing deeper and longer puffs thus addressing the phenomena of "dry puff"."*



18. It is urged that the Controller rightly concluded that there were key differences between the prior-art documents D1 to D7 and the impugned patent and the same can be summarized as follows:-

Prior Art Documents	Key Differences vis a vis Subject Patent
<p>D1 (WO2012164009A2)  Discloses a rod comprising a gathered sheet of <u>homogenised tobacco material</u> comprising one or more aerosol formers circumscribed by a wrapper,  Is one of the patents of patentee's portfolio</p>	<p>Nicotine naturally occurring in tobacco plant material is at least predominantly in base form, as opposed to being in salt form as required by the claims of the patent. D1 does not mention the provision of nicotine salt, or in fact of any form of added Nicotine.  D1 does not disclose use of a non-tobacco material, cellulose-based sorbent substrate as a support for nicotine derived from another source in combination with an aerosol former and nicotine salt should be added in a ratio falling within a predetermined range (between 3:1 and 10:1) - as defined in features (d), (e), (f) and (g) of claim 1  The Appellant has also admitted that the difference lies <i>inter alia</i> in the non-tobacco material and sheet material as defined in features (d), (e), (f) and (g) of claim 1. Since the rod comprises sheets, the difference in the sheet materials used in the subject invention is a significant change in the structural materials as compared to D1 and qualifies to be inventive.  Moving away from use of <math>\frac{1}{2}</math> sheet of homogenised tobacco material as taught by D1 to use instead a substrate having the features summarised above in an aerosol-generating article is not "a mere design choice" but involves a dramatic modification in terms of components and properties, both structural and functional, and qualifies to be inventive. A person skilled in the art, leaving apart other substantial modifications, is not provided with any motivation to substitute tobacco plant material used in D1 to arrive at an invention protected in subject patent.</p>



<p><b>D2 (GB1055473A)</b> Document D2 provides for a <u>tobacco substitute for smoking comprising a combustible material</u> together with minor proportions of flavouring and other modifying agents, wherein the combustible material is cellulosic in nature and is intimately associated with one or more combustion-modifying inorganic compounds, including a hydrated metal compound to reduce the burning rate 100 of the combustible material. D2 teaches the use of cellulose paper as a tobacco substitute and mentions the optional provision of using a nicotine salt.</p>	<p>D2 is not related to aerosol generating rod but pertains to cigarette manufacture. D2 does not provide tobacco susbtitute in the way it is provided in the aerosol generating rod as protected by the subject patent. D2 merely indicates the nicotine salts may be used as an alternate to nicotine, and does not remotely suggest using nicotine salt over nicotine. Further, D2 neither intends to form an aerosol nor teaches use of any "aerosol-former" as has been alleged by the Appellant. The Appellant intends to mislead this Hon'ble Court by using the term "humectant" disclosed in D2 synonymously with "aerosol-former" used in the present invention, as glycerol is indicated as an option in either case. Both humectants and aerosol-forming agents can share common ingredients, such as glycerin and propylene glycol, but their roles and functionalities in products are distinct based on their intended use. There is no motivation from D2 to employ any component for forming aerosol, let alone employ it at the desired proportion as taught in claim 1 of the subject patent. A person skilled in the art reading D2, would not consider selectively employing a humectant which is taught therein to prevent drying of tobacco substitute, for a totally different function of an "aerosol-former" in an aerosol-generating rod for facilitating formation of a dense and stable aerosol and that is substantially resistant to thermal degradation at the operating temperature of the aerosol-generating article. Even the possibility of making such an allegation is due to a hindsight analysis. D2 does not disclose that a ratio of aerosol-former to nicotine salt in the sheet of non-tobacco material should be between 3:1 and 10:1. This identifies a first significant chemical</p>
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	<p>difference between the claimed subject-matter and the solution known from D2. In effect, the aerosol-generating articles of the present invention differ from the ones known from D2 also in that there is no need for them to include a compound such as hydrated magnesium sulphate to lower the combustion rate of the sheet of non-tobacco material, because the aerosol-generating rods of the subject invention are devised to be heated to generate an aerosol and not to be combusted.</p> <p>D2 does not disclose that the sheet is textured or that the sheet comprises a plurality of ridges or corrugations substantially parallel to the cylindrical axis of the aerosol-generating rod. The features of the aerosol-generating article of the subject patent involves a substantial structural and composition modifications which qualifies the subject patent to be inventive.</p>
D3 (GB1355865A) and D4 (US3461879A) D3 teaches a tobacco substitute composition comprising combustible substrate selected from sodium carboxymethyl cellulose, sodium carboxyethyl cellulose, hydroxyethyl cellulose etc., 0.1 to 0.6% of nicotine in the form of nicotine salt and organic compound such as urea, guanidine carbonate and lower amino acids. It also teaches the use of plasticizers and humectants and wetting agents as additional components. D4 discloses tobacco substitute constituting a smoking composition consisting of non-tobacco oxidized cellulose derived from oxidized cellulose gauze or oxidized wood pulp and	D3 and D4 do not mention any of the claim features (a) to (g) disclosed in the subject patent and therefore should not be considered at all. Even if it is considered that a person skilled in the art would refer to D3 and D4, he will be provided with no motivations to arrive at the compositional and structural arrangement of the aerosol generating rod as claimed in subject patent. D3 relate to a tobacco substitute that is intended for use in a conventional cigarette, where it is meant to be combusted to produce a smoke. The present invention requires for the nicotine salt and the aerosol former to be applied onto a non-tobacco cellulosic based sorbent sheet, such as by absorbing or coating the nicotine salt and aerosol former onto the sheet. This leads to a material that has significantly different properties, and that can behave in significantly different fashion, compared with the materials described in D3 and D4



<p>comprising a polymer of anhydroglucuronic acid, wherein said oxidized cellulose carrying an impregnation of between 2 to 25% by weight of a non-toxic hydrated metal compound designed to control the burning rate of the composition.</p>	
<p>D5 (WO2010113702A1) The aerosol-generating article of D5 comprises a carbonaceous heat source in longitudinal alignment with a flavour-generating substrate.</p> <p>Alone and in combination with D1</p>	<p>D5 does not disclose a process wherein a nicotine salt and an aerosol former are applied – for example, absorbed or coated – onto a sheet of a non-tobacco cellulosic-based material, as recited by claim 1. This is structural and functional distinction between the subject patent and the disclosure of D1 and D5.</p> <p>D5 can be considered to describe a process wherein a mixture is formed that contains a cellulosic-based material (namely, pulp) along with a nicotine salt (namely, nicotine citrate, as a flavour-generating agent and an aerosol former. According to the process of D5, this mixture or slurry is cast to form a thin layer on a supporting surface and dried to form the flavour-generating section 13 of the substrate. This results in a material that has significantly different properties compared with the sheet described and claimed in the subject invention. As the person skilled in the art will appreciate, with the method of D5, it is only possible to obtain a flavour-generating section wherein there is a homogeneous distribution of non-tobacco cellulosic material, nicotine salt, and aerosol former. By contrast, the subject invention requires for the nicotine salt and the aerosol former to be applied onto a non-tobacco cellulosic based sorbent sheet by absorbing or coating the nicotine salt and aerosol former onto the sheet.</p>



	<p>In effect, the aerosol-generating rod of the present invention may be regarded as solving the problem of how make better and efficient use of the nicotine salt and aerosol former, such that the heat supplied to the rod during use is effectively used to heat species that can be released into the aerosol instead of a material that does not contribute at all to forming the aerosol.</p>
D6(US5203355A) D6 discloses cigarettes and other smoking articles in which the substrate is a cellulosic material, preferably a tobacco paper.	<p>D6 does not mention the provision of nicotine salt or of any other source of nicotine.</p> <p>In fact, D6 is not a relevant prior art, since it is not related to an aerosol generating rod.</p> <p>In addition to other structural and compositional differences D6 does not disclose that the ratio of aerosol-former to nicotine salt in the sheet of non-tobacco material is between 3:1 and 10:1.</p> <p>D6 does not disclose that the sheet is textured or that the sheet comprises a plurality of ridges or corrugations substantially parallel to the cylindrical axis of the aerosol-generating rod. In effect, D6 never once mentions explicitly that the sheet may be "crimped".</p> <p>The requirements set out in the claims of the subject patent are not just about using a sheet that could be textured in any one of several possible ways, but about using a sheet that has been textured in a very specific, predetermined, and controlled way and that, following that, has been oriented and gathered in a very specified, predetermined, and controlled way when forming the rod.</p>
D7(WO2013098405A2) describes an aerosol-generating article wherein a rod of aerosol-generating substrate is combined with a number of other components, namely a support element (in the form of a hollow element of cellulose acetate), a cooling	<p>D7 simply discloses the constructional arrangement of aerosol-generating article but does not hint upon collective compositional and structural attributes of aerosol generating rod viz. a unique ratio of aerosol-former to nicotine salt, which drastically deviate from the one known in the art, and the way in which said ratio of aerosol-former to nicotine</p>



<p>element (in the form of a gathered sheet of PLA), and a mouthpiece (in the form of a plug of cellulose acetate having low filtration properties). (One of the earlier patent application of patentee's portfolio)</p>	<p>salt is provided in the aerosol generating rod (selecting a specifically fabricated sorbent substrate made up of non-tobacco material) so as to provide superficial absorption of aerosol-former and nicotine salt to the sorbent substrate to ensure rapid release of absorbed nicotine molecules at temperatures lower than as required by the article known in the art. Even though there may be similarities between the overall structure of the article of the subject patent and D7, there is absolutely no disclosure in the said document of an aerosol-generating substrate having the features (a) to (g) as set out in claim 1 of the subject patent</p>
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19. Learned counsel strenuously argues that Appellant has failed to prove and discharge its burden as to why and how a person skilled in the art would arrive at the invention in the subject patent, by the teachings of D1-D7, taken individually or in combination. Appellant is resorting to a hindsight analysis for determining the inventive steps, which is against the law as held by this Court in ***Hoffmann-La Roche Ltd. & Anr. v. Cipla Ltd., 2015 SCC OnLine Del 13619***. To question the inventive step involved, Appellant proceeds backwards from first obtaining the knowledge of the subject invention and then looking for individual components of the subject invention in different documents, bereft of context. This is mere mosaicing of documents without any suggestion in any document as to which other feature can be arrived at for making the subject invention obvious. The hindsight approach has been recently also negated by this Court in the case of ***Avery Dennison Corporation v. Controller of Patents and Designs, 2022 SCC OnLine Del 3659***.



20. It is further argued that in order to establish a *prima facie* case of obviousness, 3 criteria must be met: (a) prior art reference or references must teach or suggest all the claim limitations; (b) there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one ordinary skilled in the art to modify the reference or to combine the teachings in the references; and (c) there must be a reasonable expectation of success. For showing obviousness, it must be shown that the person skilled in the art would have some apparent reason to combine the known elements in the fashion claimed and there must be a reasonable expectation of success. Further, mere disclosure of individual generic elements on the basis of functional similarities in the prior art references, would not motivate a skilled person to combine the elements in a specific manner to arrive at an arrangement which would exhibit an improved technical effect.

21. It is submitted that neither D1 nor D7 teach the configuration and structural features of the aerosol generating rod as claimed in the subject patent. D6 does not teach the significance of crimping of sheets and D2-D4 do not teach use of non-tobacco cellulosic based sheet comprising nicotine salt and humectants (aerosol formers) in desired proportion, coated or absorbed onto the sheet of non-tobacco cellulosic-based material for an aerosol-generating rod. A person skilled in the art with a view to develop a non-tobacco aerosol generating rod shall not be motivated to replace the tobacco sheets with a tobacco substitute comprising cellulosic sheets comprising nicotine salt and aerosol formers in desired proportion, coated or absorbed onto the sheet of non-tobacco cellulosic-based sheet read together with the teachings of D2 or D2 and D5 or D2, D3/D4 and D5 or D2, D3/D4,



D5 and D6 or D2, D3, D4, D5 and D6 or in any other combination. Thus, the subject patent is neither obvious for a person skilled in the art nor lacks inventive merit in view of the teachings of D1, D2, D3, D4, D5, D6 and D7 either alone or in combination and the ground of opposition under Section 25(2)(e) of 1970 Act is wholly misplaced.

22. It is further submitted that recourse to Section 3(e) of the 1970 Act by the Appellant is equally misplaced. Section 3(e) bars from patenting "a substance obtained by a mere admixture resulting only in the aggregation of the properties of the components thereof or a process for producing such substance". Language of claims 1-9, reflects that the aerosol-generating rod is not arrived at by merely "mixing" the required components to form an "admixture" and instead it is meticulously crafted to achieve specific structural features, where each component is interrelated and the interrelation was recognized not only by the Controller but also the Appellant, while referring to opposition relating to Section 3(f). For the same reason, there can be no quarrel with claim 10 which is directed to a system and claims 11-12 directed to heated aerosol-generating articles. Even otherwise, the components of the aerosol-generating rod of the subject patent clearly have a synergistic effect that is not a mere admixture.

23. Heard learned Senior Counsel for the Appellant and counsels for the Respondents.

24. The first and foremost objection of the Appellant is that the impugned order is a cut-copy-paste of the written submissions of the patentee and the opinion of the Opposition Board and there is no independent application of mind and analysis of the grounds of opposition raised comprehensively in the post-grant opposition by the Appellant. Arguments have been addressed



on merits also, which have been very briefly captured above.

25. Broadly understood, the preliminary submission of the Appellant is that a bare perusal of impugned order dated 08.04.2024 shows that it substantially reproduces the written submissions of the patentee and recommendations of the Opposition Board and while that may be so, there is no independent application of mind and analyses to the grounds raised in the post-grant opposition, the material on record such as the prior art documents. Mr. Pachnanda, has laboured hard to demonstrate the 'cut-copy-paste' by taking the Court through various paragraphs of the impugned order and then comparing with the written submissions of the patentee and the report of the Opposition Board. For ready reference and better appreciation, the tabular representation in the appeal is extracted hereunder, only by way of illustration:-

<b>EXCERPTS FROM THE IMPUGNED ORDER OF RESPONDENT NO. 1</b>	<b>EXCERPTS FROM WRITTEN SUBMISSIONS TO THE HEARING DATED 24<sup>th</sup> NOVEMBER 2023 FILED BY RESPONDENT NO. 2</b>
65....., But, D1 does not disclose or provide any hint to select a ratio of aerosol-former to nicotine salt in the sheet of non-tobacco material to be	(iii) <u>D1 does not disclose or provide any hint to select a ratio of aerosol-former to nicotine salt in the sheet of non-tobacco material to be between 3:1 and</u>



<p>between 3:1 and 10:1, 19:1. Thus, D1 does not disclose use of a non-tobacco material. cellulose-based sorbent substrate as a support for nicotine derived from another source in combination with an aerosol former and nicotine salt should be added in a ratio falling within a predetermined range (between 3:1 and 10:1) of claim 1.</p>	<p>disclose use of a non-tobacco material. cellulose-based sorbent substrate as a support for nicotine derived from another source in combination with an aerosol former and nicotine salt should be added in a ratio falling within a predetermined range (between 3:1 and 10:1) - as defined in features (d), (e), (f) and (g) of claim 1.</p>
66. Document D2 (GB1055473(A)) teaches the use of cellulose paper as a tobacco substitute and mentions the provision of nicotine salt. The disclosure of D2 focuses	D2: GB1055473(A) .....Document D2 teaches the use of cellulose paper as a tobacco substitute and mentions the provision of nicotine salt. The disclosure of D2 focuses entirely on providing a



<p>entirely on providing a replacement for tobacco in the context of conventional cigarettes, wherein the tobacco is combusted to produce a smoke.</p>	<p><u>replacement for tobacco in the context of conventional cigarettes, wherein the tobacco is combusted to produce a smoke.</u></p>
<p>Primary teachings of D2 is related to the use of certain compounds, such as hydrated magnesium sulphate, in the cellulose with a view to lowering the combustion rate and improve the smell and taste of the smoke.</p>	<p><u>D2..... and one of the primary teachings of D2 is related to the use of certain compounds, such as hydrated magnesium sulphate, in the cellulose with a view to lowering the combustion rate and improve the smell and taste of the smoke (see page 1, lines 29-38).</u></p>
	<p><u>This is an entirely different context to the one that is disclosed in the subject patent, and so it is not surprising that D2 does not disclose that a ratio</u></p>

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<p><i>D2 does not disclose that a ratio of aerosol-former to nicotine salt in the sheet of non-tobacco material should be between 3:1 and 10:1.....D2 does not disclose that the sheet is textured or that the sheet comprises a plurality of ridges or corrugations substantially parallel to the cylindrical axis of the aerosolgenerating rod.</i></p>	<p><i>of aerosol-former to nicotine salt in the sheet of non-tobacco material should be between 3:1 and 10:1.....D2 does not disclose that the sheet is textured or that the sheet comprises a plurality of ridges or corrugations substantially parallel to the cylindrical axis of the aerosolgenerating rod.</i></p>
<p>67. Document D3 (GB1355865(A)) teaches a tobacco substitute composition comprising combustible substrate selected from sodium carboxymethyl cellulose, sodium carboxymethyl cellulose, hydroxyethyl cellulose etc., 0.1 to 0.6% of nicotine in the form of nicotine salt and organic compound</p>	<p><i>D3 teaches a tobacco substitute composition comprising combustible substrate selected from sodium carboxymethyl cellulose, sodium carboxymethyl cellulose, hydroxyethyl cellulose etc., 0.1 to 0.6% of nicotine in the form of nicotine salt and organic compound</i></p>



to 0.6% of nicotine in the form of nicotine salt and organic compound such as urea, guanidine carbonate and lower amino acids. It also teaches the use of plasticizers and humectants and wetting agents as additional components. However, D3 provides very little guidance as regards the content of plasticizers and wetting agents, and even less as regards their proportion relative to nicotine in the composition. Thus, it is absolutely clear that D3 does not provide a clear teaching relating to the proportion of aerosol-former (for example, glycerine) to nicotine salt that should be in the composition.

such as urea, guanidine carbonate and lower amino acids. It also teaches the use of plasticizers and humectants and wetting agents as additional components. However, D3 provides very little guidance as regards the content of plasticizers and wetting agents, and even less as regards their proportion relative to nicotine in the composition. Thus, it is absolutely clear that D3 does not provide a clear teaching relating to the proportion of aerosol-former (for example, glycerine) to nicotine salt that should be in the composition.



<p><i>In addition, D3 does not disclose that a ratio of aerosolformer to nicotine salt in the sheet of non-tobacco material is between 3:1 and 10:1.</i></p>	<p><i>In addition, D3 and D4 do not disclose that a ratio of aerosolformer to nicotine salt in the sheet of non-tobacco material is between 3:1 and 19:1.</i></p>
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EXCERPTS FROM THE IMPUGNED ORDER OF RESPONDENT NO. 1	EXCERPTS FROM WRITTEN SUBMISSIONS TO THE HEARING DATED 24 <sup>th</sup> NOVEMBER 2023 FILED BY RESPONDENT NO. 2
<p><i>Section 3(e): The controller is of the view that the combination</i></p>	<p><i>Further, it is humbly submitted that the subject invention does not fall under the mischief of Section 3 (e) of the Act. The</i></p>



<p><u>of a cellulosic substrate onto which a nicotine salt and aerosol former are added is not disclosed in the cited prior art documents. Further, the desired proportion of the said components is also not known from any of the cited prior art documents. Therefore, the subject matter as claimed in the present application does not fall within the purview of Section 3(e) of the Patents Act.</u></p>	<p><u>combination of a cellulosic substrate onto which a nicotine salt and aerosol former are added is not disclosed in the cited prior art D2-D6. Further, the desired proportion of the said components is also not known from any of the cited prior art documents</u></p>
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26. From a close reading of the impugned order, this Court finds merit in the preliminary submission of the Appellant. Reading of the impugned order shows that substantial part of the order is a cut-copy-paste and a verbatim reproduction of the written submissions filed by the patentee. While the impression given in the order is that under the heading '*Controller's Inferences/Analysis*', the Controller has independently analysed the grounds taken by the Appellant in the post-grant opposition, as rightly flagged by the



Appellant, in effect it is not so. Paragraph 63 contains reference to Section 2(1)(ja) of 1970 Act and Manual for Patent office practice procedure describing steps for evaluating the inventive steps. Paragraph 64 contains references to the judgments. Paragraphs 65 to 71 incorporate references to the prior-art documents D1-D7 and their teachings. Paragraph 72 is only an extract of part of the recommendation of the Opposition Board. *Albeit* the two sub-paragraphs of paragraph 72, according to the Respondents are observations of the Controller on his independent analyses, but a close perusal shows otherwise as these are recommendations of the Board taken verbatim from the Report. It is thus clear that there is no independent application of mind by the Controller and consequently, no independent analysis on the grounds raised in the post-grant opposition.

27. In the earlier part of this order, Court has referred to some of the broad contentions of the Appellant raised in the post-grant opposition with a view to show that detailed grounds of opposition were taken by the Appellant. However, unfortunately, none of these have been independently considered by the Controller and the order is nothing but a reproduction of patentee's written submission with sprinkling of recommendations of the Opposition Board. This Court in *Synthes (supra)* and *Huhtamaki Oyj (supra)* has seriously condemned the manner in which the Controllers are passing the orders relating to patents. Courts have observed that the impugned orders are merely cut and paste and while this is itself disquieting, the Court may not have taken a serious note, had the Controllers condescended to supplement the cut and pasted paragraphs with their own reasoning, displaying some minimal application of mind, which was sadly lacking.



28. Yet again, this Court is faced with another order where the Controller has taken no pains to independently analyse the grounds taken in the post-grant opposition and has merely copy pasted. As rightly observed in *Synthes (supra)*, this is nothing but a total mockery of the exercise of functions vested in *quasi-judicial* authorities in the Office of Controller General of Patents. Grant of patent is indeed a very serious matter, especially, considering the time ordinarily taken in granting patents. In a given case, an opposition can include serious and genuine grounds for revocation. However, if the Controller does not exercise the powers vested in him, in the manner required in law, the result invariably will be that Courts will have no option but to remand the matters, compelled by the fact that they are unreasoned and non-speaking. This would be detrimental to the interest of the patentee/objectors as also public interest as many genuine inventions will remain a piece of paper and will not inure to anyone's benefit. In the present case, it pains the Court to remand the matter to the Controller, owing to the fact that patent has been granted in favour of Respondent No. 2 on 20.09.2021.

29. In light of the fact that the impugned order lacks independent analysis and application of mind to the grounds taken by the Appellant in the post-grant opposition, the impugned order dated 08.04.2024 passed by the Controller, rejecting the post-grant opposition is quashed and set aside and the matter is remanded back for reconsideration, however, only from the stage of hearing final arguments of the concerned parties. Needless to state the Controller will look into the written submissions already on record before the Controller and pass a reasoned and speaking order after taking into consideration the arguments of the parties, both oral and written and in



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accordance with law.

30. It is made clear that this Court has not expressed any opinion on the merits of the case. The order will be passed as expeditiously as possible and not later than eight weeks from the date the hearing concludes.

31. The appeal is allowed to the aforesaid extent and disposed of along with the pending application.

**JYOTI SINGH, J**

**JANUARY 12, 2026/RW**