



\$~6

*

IN THE HIGH COURT OF DELHI AT NEW DELHI

%

Date of Decision: 03rd August, 2022

+

W.P.(C)-IPD 62/2021

GENERAL ELECTRIC COMPANY

..... Petitioner

Through: Ms. Rajeshwari H. and Ms. Swapnil
Gaur, Advocates.

versus

UNION OF INDIA AND ANR.

..... Respondents

Through: Ms. Shiva Lakshmi, Central
Government Standing Counsel with Ms. Srishti
Rawat and Ms. Ritwik Sneha, Advocates.**CORAM:****HON'BLE MS. JUSTICE JYOTI SINGH****JUDGEMENT****JYOTI SINGH, J. (ORAL)**

1. Present writ petition has been filed assailing the order dated 08.11.2016 issued by Respondent No. 2/Assistant Controller of Patents as well as for a direction that Petitioner's patent application 1926/DELNP/2006 be granted. In the alternative, it is prayed that matter be remanded back to the Patent Office, with a direction to Respondent No. 2 to grant opportunity to the Petitioner to defend its patent application, in view of the amendments made.

2. Factual matrix to the extent relevant and as per the narrative in the petition is that the Petitioner is a Company registered under the laws of United States of America and deals in products and services ranging from aircraft engines, power generation and oil and gas production equipments to



medical imaging, financing and industrial products and claims to hold several patents for several innovations worldwide.

3. On 07.04.2006, Petitioner filed a patent application bearing No. 1926/DELNP/2006 titled 'WIND TURBINE SYSTEM CONTROL' and on 03.10.2007, filed a request for examination, as required by law. On 25.01.2012, Respondent No. 2 issued the First Examination Report (FER) containing 12 objections, both substantial and procedural, including the objection that the invention is not patentable under Section 3(k) of the Patents Act, 1970 (hereinafter referred to as the 'Act').

4. Petitioner filed a response to the FER on 25.01.2013, addressing the objections raised and also amended the claims. Petitioner also filed several documents and requested Respondent No. 2 to waive the objections. Thereafter, Petitioner received a Hearing Notice dated 20.09.2016 informing that only three objections pertaining to claims 1-10 were remaining and Petitioner's submissions on the said objections will be heard on 08.11.2016. The objections that remained outstanding were as follow:-

- “a) Inventive step should be characterized in Claim 1;*
- b) Claims 2, 3, 5 and 9 are functional as they do not contain any feature and therefore are not allowable;*
- c) Claims 1-10 lack novelty and inventive step under Section 2(1)(j) read with 2(1)(ja) in view of US 2002/029097.”*

5. On 08.11.2016, Petitioner appeared before Respondent No. 2 for hearing and addressed the outstanding objections. Since no objection was raised with respect to non-patentability under Section 3(k) of the Act or was even mentioned during the hearing, Petitioner presumed that the same had been waived. As per the Petitioner, notwithstanding the fact that no prior notice of this objection was given to the Petitioner, the Petitioner satisfied



Respondent No. 2 that the invention related to a system for managing a wind farm having plurality of wind turbines comprising supervisory command and data acquisition element at each wind turbine to collect and store data from the respective turbines and the invention as claimed is inventive even considering US2002/029097 and thus, Section 3(k) was entirely inapplicable. Petitioner prayed for time to submit written submissions at the conclusion of the hearing and also sought leave to submit amended claims since new issues had been raised during the hearing by Respondent No. 2. Written arguments were filed by the Petitioner on 08.11.2016 at 07:34 P.M., evidence of which is placed on record. However, Respondent No. 2 had delivered the decision and was uploaded at 05:30 P.M. on the same day. Aggrieved by the decision, Petitioner has filed the present petition.

6. Ms. Rajeshwari H., learned counsel for the Petitioner contends that Respondent No. 2 acted arbitrarily in re-visiting the objection regarding patentability under Section 3(k) of the Act. Objection as to non-patentability of the invention under Section 3(k) of the Act was raised in the FER and was addressed by the Petitioner. When the said objection was not raised as a part of the Hearing Notice dated 20.09.2016, which reflected the outstanding objections, Petitioner presumed that the objection was addressed and Controller was satisfied. Thus, it was not open for Respondent No. 2 to arbitrarily revisit the same. Assuming that Respondent No. 2 was non-satisfied on the said aspect, he should have raised the objection in the hearing and given opportunity to address the issue and file written submissions. Despite the Petitioner requesting for time to file written submissions and in fact having filed the same on 08.11.2016, the same were not taken into account, as the order was passed in a haste before 05:30 P.M. on the same date.



7. It was contended that Respondent No. 2 ignored the mandate of Rule 28(3), (5) and (7) of the Patents Rules, 2003 whereby Respondent No. 2 is bound to grant a hearing and permit the Applicant to amend the specifications/claims and grant/refuse the patent only after taking into account amendments, if any. No reasons have been spelt out as to why the proposed amendment could not be allowed. Respondent No. 2 has grossly erred in ignoring that an invention does not qualify as being a ‘software per se/algorithm’ if it has: (a) a technical effect; (b) technical character; and (c) is technically enabled, coupled with a system or a hardware device. Respondent No. 2 has also ignored Petitioner’s response to the FER regarding patentability under Section 3(k) of the Act.

8. It is urged that Respondent No. 2 erred in holding that Petitioner has not amended the claims incorporating the features ‘SCADA Element...’ when the same was specifically incorporated *vide* amendment made in response to the FER. In fact, at the time of hearing, Respondent No. 2 relied on US2002/029097, which is concerned with the SCADA Element and Petitioner had amended the claim to demonstrate novelty and inventive step over this patent. Had the opportunity been granted to the Petitioner, position would have been clarified.

9. Refuting the contentions on behalf of the Petitioner, Ms. Shiva Lakshmi, appearing on behalf of the Respondents submits that the impugned order has been passed after following the procedure laid down under the Act and the Rules, 2003. Petitioner filed a patent application and thereafter on 03.10.2007 submitted a request for examination. Request was examined under Sections 12 and 13 of the Act and FER dated 25.01.2012 was issued, which contained a number of objections including one regarding non-patentability of the invention under consideration, as the claims 1-10 of



the patent application fell within the scope of Section 3(k) of the Act, being related to algorithms. Petitioner *vide* its reply dated 25.01.2013 requested for waiver of the issue of non-patentability, which was, however, never waived. A Hearing Notice dated 20.09.2016 was issued to the Petitioner containing three objections, but this did not imply that the other objections had been waived.

10. It is submitted that the impugned order was passed after taking into consideration the finally amended claims. Section 21 of the Act read with Rule 24B (5) and (6), incorporated by an Amendment dated 16.05.2016, provides a period of 6 months for putting in order an application for grant of patent and the period is further extendable by 3 months on Form-4. In the present case, the FER with 12 objections was issued on 25.01.2012 and the reply was filed after expiry of the said period, i.e., on 28.01.2013. The FER duly noted that claims 1-10 lack novelty and inventive step as required under Section 2(1)(j) and are obvious to the person skilled in the art. This objection was not addressed to the satisfaction of Respondent No. 2 and was, therefore, mentioned in the Hearing Notice at point No. 3. Further, the amended claims contained SCADA Element which is a well-known software programme.

11. It is denied on behalf of the Respondents that no opportunity was granted to the Petitioner. It is submitted that the impugned order was passed under Section 15 of the Act and is a well-reasoned order setting out the reasons for denial of the grant of patent to the Petitioner. The mandate of Rule 28(3), (5) and (7) has to be read with Rule 28(2) and sanctity of the time frame provided under the Act has to be maintained. Rule 28(7) binds the Applicant to file written submissions and relevant documents upon hearing within 15 days where the amendments specified or permitted have



been allowed by the Controller. In this case, neither the amendments were specified by the Controller nor permitted as nothing was placed on record by the Agent for the Applicant, for which 15 days period was available. A mere statement by the Agent that they were in the process of incorporating technical features in the impugned claims, is not sufficient. Petitioner failed to file written statement or amended claims within the time period stipulated under Section 21 of the Act read with Rule 24B (5) and (6) and Respondent No. 2 rightly did not allow any amendment or submission beyond the timelines stipulated. No infirmity can be found with the impugned order, as even on merits the order is justified. The claimed invention fell within the scope of Section 3(k) of the Act, which prohibits patenting of ‘a mathematical or business method or a computer programme *per se* or algorithms’.

12. I have heard the learned counsels for the parties and examined their contentions.

13. Having perused the impugned order passed by Respondent No. 2, it is evident that the application for grant of patent over claims 1-10 under Section 15 of the Act has been rejected on the grounds: (a) claims 1-10 lack inventive step in view of the teachings of US2002/029097 under Section 2(1)(j) read with Section 2(1)(ja) of the Act; and (b) objection of Section 3(k) was raised in FER as it was found that SCADA is a well-known software programme and claims 1-10 attempt to protect a data storage and processing method broadly and are thus in contravention of Section 3(k) of the Act.

14. The first contention of the Petitioner is that although the objection with respect to non-patentability of the invention under Section 3(k) of the Act was raised in the FER, which was addressed by the Petitioner and thus



the same did not find mention in the outstanding objections in the Hearing Notice. It was not open to Respondent No. 2 to reject the grant of patent by revisiting the objection which stood waived. FER dated 25.01.2012 is on record and its perusal reflects that objection no. 6 was with respect to claims 1-10 falling within the scope of Section 3(k) of the Act, being related to algorithms. However, when the Hearing Notice was issued on 20.09.2016, the said objection did not figure in the list of outstanding objections which the Petitioner was called upon to address. Petitioner, therefore, in my opinion, is right in contending that on receipt of the Hearing Notice containing as many as three outstanding objections, it was a natural presumption that objection with respect to the claims being non-patentability under Section 3(k) of the Act was waived and Respondent No. 2 could not have revisited the objection. Petitioner is also right in submitting that assuming the Controller was of the view that the objection was required to be considered before grant of patent, Petitioner should have been given the opportunity to respond to the same. This argument is embedded in the principles of natural justice that the Petitioner should not have been condemned unheard. The impression gathered by the Petitioner that the objection under Section 3(k) of the Act did not come in its way for grant of patent is fortified by the fact that the Petitioner had in response to the objection in FER had filed a detailed response on 25.01.2013, stating that the invention included system claims and did not direct or refer to a method/algorithm. As per the Indian Patent Office, practice an invention does not qualify as being 'software *per se*/algorithm' if it has: (a) a technical effect; (b) technical character; and (c) is technically enabled. It was brought out in the reply that an invention should be taken as a whole and when taken as a whole, a person skilled in the art would be in a position to appreciate that the



system in question possessed requisite technical character to take it outside the precinct of Section 3(k) of the Act. Claim 1 being a system claim includes hardware elements such as Wind Turbines, a Supervisory Command and Data Acquisition (SCADA) element, Sub-Stations and a Server. The architecture of the system provides a real-time monitoring and control of wind farm devices, both locally and remotely while also facilitating archiving of operational data of individual wind turbines as well as totalized wind farm data and thus the invention has a technical effect. It was also brought-forth that claim 1 had an enabling provision such as hardware elements and did not relate to a mathematical or business method or a computer programme *per se* or algorithms and was technically enabled by the technical features. Having filed a detailed response to the objection, when the objection was not reiterated in the Hearing Notice, it was natural for the Petitioner to presume that the objection no longer sustained. Reading of the impugned order shows beyond a scintilla of doubt that one of the grounds that weighed with Respondent No. 2 for declining the grant of patent is Section 3(k) of the Act and on this ground, the matter deserves to be remanded back for a re-consideration, as rightly contended by learned counsel for the Petitioner.

15. Learned counsel for the Respondents has sought to argue that only because the objection under Section 3(k) of the Act did not find mention in the Hearing Notice, it cannot be presumed by the Petitioner that the objection was waived. This Court cannot subscribe to this argument. If an objection was raised under Section 3(k) of the Act by Respondent No. 2 in the FER amongst other objections, which was attempted to be redressed in reply to the FER and in the subsequent Hearing Notice, while three outstanding objections were enumerated, without a mention of the objection



under Section 3(k) of the Act, any prudent person would assume that the earlier objections not reiterated in the Hearing Notice, were dropped and waived. Assuming for a moment that the Respondents are right in the contention that the objection was not waived and the presumption of the Petitioner was incorrect, the least that Respondent No. 2 being a quasi-judicial Authority was expected to do was to grant an opportunity to the Petitioner to respond to the objection in keeping with the principles of *audi alteram partem*. Respondent No. 2 is a quasi-judicial Authority and its actions while adjudicating must be guided by principles of natural justice and fairness.

16. In the Hearing Notice, one of the objections raised by Respondent No. 2 was that claims 1-10 lack novelty and inventive step under Section 2(1)(j) read with Section 2(1)(ja) of the Act when taught by the document US2002/029097. It is an admitted position that as per the Hearing Notice, Petitioner was called upon for hearing on 08.11.2016. On the said date, at the conclusion of the hearing, it is the categorical stand of the Petitioner which is not disputed by Respondent No. 2, that time was sought to file written submissions summarising the issues addressed by the Petitioner. As a matter of record, the written submissions were filed by the Petitioner at 07:34 P.M. Once the Petitioner had prayed for time to file written submissions, the haste in passing the order at 05:30 P.M. without even waiting for a day for the Petitioner to file the written submissions, is not understood. This becomes significant in view of the fact that in the written submissions, Petitioner has given detailed response to the objection which has not been taken into account by Respondent No. 2, as the decision came prior to filing of the written submissions. Petitioner has brought out that D1, the prior art discloses a supervisory command and data acquisition



system for managing wind turbines for electrical power generation. Petitioner also brought out the manner and methods in which D1 discloses the collection of data from all network components at regular intervals which, according to the Petitioner, is based on a continuously functioning single central data collection architecture, with no capability for intelligent processing and storage of data at each wind turbine, meteorological mast or at a substation. This type of architecture, according to the Petitioner, is susceptible to the central data collecting system failing to store and archive the data being produced by the devices in the wind farm, if faults occur in the wind farm network infrastructure. Petitioner further detailed how the present invention is defined in new claim 1, overcomes these problems by provision of a system for managing a wind farm having a plurality of wind turbines comprising a supervisory command and data acquisition (SCADA) element at each wind turbine to collect data from respective turbines and store a first subset of data locally and transmit the same according to non-real-time intervals and transmit a second subset of data wherein the same is stored until successfully transferred providing further details of the invention, Petitioner brought out that the invention provides a far more robust system for managing a wind turbine and is not susceptible to the intermittent loss of connectivity between a master device and wind turbines so that operational data and record from the turbines is not lost. Petitioner also brought out that same invention has been granted in the US and also annexed a copy of the US patent.

17. Perusal of the impugned order shows that Respondent No. 2 has not taken into account any of the points put forth for consideration by the Petitioner in support of its invention and has merely rejected by observing that the Agent for the Applicant has not submitted amended claims



incorporating the features demonstrating novelty and inventive step. The fact that the same invention has been granted US patent is not even mentioned in the impugned order. In my view, the order not only overlooks the points raised by the Petitioner, but is also cryptic and unreasoned. Even assuming for a moment that the written submissions were not filed, when the order was passed and Respondent No. 2 could not wait for passing of the order, tested independently, the impugned order cannot be sustained. The objection under Section 2(1)(j) of the Act for claims 1-10 lacking novelty and inventive step in view of the teaching of D1 was raised in the FER, and the response to the FER filed by the Petitioner indicates that the Petitioner had explained the invention with respect to D1 in great detail, to respond to the objection. Respondent No. 2 was duty bound to consider the same and even if it disagreed, reasons for rejecting the grant of patent on this ground ought to have been furnished in the impugned order. The order rejecting the application of the Petitioner for grant of patent to this extent is totally bereft and devoid of any reasoning.

18. Courts have repeatedly affirmed that an order bereft of reasoning causes prejudice to the parties and deprives them to know the reason why they have been unsuccessful in the Court of law. In ***Union Public Services Commission v. Bibhu Prasad Sarangi and Others, (2021) 4 SCC 516***, it was observed by the Supreme Court that reasons constitute the soul of a judicial decision and how judges communicate in their judgment is a defining characteristic of judicial process, since quality of justice brings legitimacy to the judiciary. This Court finds no reason why this binding dicta of the Supreme Court would not apply to a quasi-judicial Authority, such as Respondent No. 2, while rejecting the applications for grant of patents.



19. In view of the aforesaid facts, this Court deems it appropriate to remand the matter to Respondent No. 2 for a fresh consideration. It is made clear that in case Respondent No. 2 desires to raise an objection of non-patentability of claims 1-10 under Section 3(k) of the Act, it shall give an opportunity of hearing to the Petitioner. It is also made clear that this Court has not expressed any opinion on the merits of the case and it is open to Respondent No. 2 to decide the patent application No. 1926/DELNP/2006, in accordance with law and uninfluenced by any observation made by this Court in this judgment.

20. Accordingly, the impugned order dated 08.11.2016 passed by Respondent No. 2 is set aside and the writ petition is allowed and disposed of, in the aforesaid terms.

JYOTI SINGH, J

AUGUST 03, 2022/sn/shivam/rk

न्यायमेव जयते