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

Date of Decision: 7th July, 2023

+ **C.A.(COMM.IPD-PAT) 36/2022**

NIPPON STEEL CORPRATION

..... Appellant

Through: Mr. Abhishek Jan and Mr. Bhuvan Malhotra, Advocates. (M: 7042079908)

versus

**THE ASSISTANT CONTROLLER OF PATENTS
AND DESIGNS**

..... Respondent

Through: Ms. Arunima Dwivedi, CGSC with Ms. Pinky Pawar and Mr. Akash Pathak, Advocates. (M: 9971724716)

**CORAM:
JUSTICE PRATHIBA M. SINGH**

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. The present appeal under section 117A(2) of the Patents Act, 1970 (*hereinafter, "Act"*) has been filed by the Appellant-Nippon Steel Corporation challenging the impugned order dated 5th March, 2012 passed under Section 15 of the Act.
3. Vide the impugned order, Appellant's application bearing no. 435/DEL/2006 for grant of a patent in respect of an invention titled "*Non-Oriented Electrical Steel Excellent in Magnetic Properties in Rolling Direction and Method of Production of Same*" (*hereinafter, 'subject invention'*), was rejected by the Respondent-Assistant Controller of Patents & Designs.
4. The present appeal was, initially, filed before the Intellectual Property



Appellate Board ('IPAB') in 2012 and was, thereafter, transferred to this Court after the enactment of the Tribunals Reforms Act, 2021.

5. The Appellant filed an application for grant of a patent on 16th February, 2006 with priority date of 23rd February, 2005. The first examination report (FER) was issued on 23rd June, 2010 as per which certain objections were raised in respect of novelty, inventive step, etc.

6. A reply dated 1st October 2010 was submitted by the Appellant along with the amended claims. Thereafter, a hearing notice dated 1st September 2011 was issued for a hearing on 4th October, 2011. The Appellant, however, submits that he had sought an adjournment on the said date vide letter dated 27th September 2011. The case of the Appellant is that though the written submissions were submitted however, they had sought an adjournment before the Respondent. The impugned order has been passed, according to the Appellant, without providing a hearing to the Appellant. The Appellant's submissions are as under:

"3.4 That through the said hearing notice, the Respondent fixed the date for hearing in the said patent application on 4.10.2011 at 11.00 am. It is submitted that the attorney for the applicant reported the matter to the designated attorney of Applicant in Japan seeking instructions in the matter. However, it transpired that due to some unavoidable reasons the inventors may not be available during the relevant period in order to provide instructions as required. Thereupon, the attorney for the Applicant vide letter dated September 27, 2011, requested the Respondent for adjournment of hearing to some later date. Further, on the same date, the attorney for the Applicant also made a telephonic call to the learned Controller and made the same request. Additionally an email dated 29.09.2011 was also sent to the Respondent making the



same request.

3.5 That pending the reply of the Respondent to request dated September 27, 2011, the attorney for the Applicant filed a written submission on October 13, 2011 further modifying/amending the claims. The said written submission also clearly made it categorically clear that the attorney for the Applicant has not received any response from the Respondent in respect of their request for adjournment of the hearing dated 04.10.2011.

*3.6 That to the utter shock of the attorney of the Appellant while checking the website of the patent office on 13th March, 2012, he noticed that the said patent application had been refused under Section 15. However, the copy of the impugned order was not available on the website. It is submitted that such recordal of refusal under Section 15 on the official website was without any hearing to the Applicant. Immediately, attorney for the Applicant, on the next day i.e. 14.03.2012, made a representation to the Technical Head of the Delhi Patent Office narrating the circumstances under which the said representation was being made and requesting him to review the matter and provide hearing to the Applicant. A copy of the letter dated 14.03.2012 is annexed herewith and marked as **Exhibit-A10**.”*

7. On behalf of the Respondent, this position is disputed, and it is submitted that the Appellant was given proper notice of the hearing. The amended claims and the written submissions were also filed by the Appellant. Thus, there is no violation of principles of natural justice.

8. The Court has considered the impugned order. The impugned order reads as under:

“DECISION

An application for Patent for an invention titled



“NON-ORIENTED ELECTRICAL STEEL EXCELLENT IN MAGNETIC PROPERTIES IN ROLLING DIRECTION AND METHOD OF PRODUCTION OF SAME” was filed by M/s. K & S PARTNERS on behalf of M/s. NIPPON STEEL CORPORATION, The JAPAN and the same was allotted Application Number. 435/DEL/2006 dated 16/02/2006.

The request for examination was filed by the agent on 25/10/2006 and the same was examined under the provision of section 12 of the Patents Act, 1970. The First Examination Report was issued to the agent on 23/06/2010 which inter-alia included objections lack of novelty, inventive step and under section 10(4).

The agents submitted their reply to the First Examination Report with amended claims. After going through the amendments and reply, the examiner and controller felt that the requirement of the Patent Act is not met; hence hearing notice had been issued fixing on 04/10/2011. Applicant had attended the hearing and submitted written submission.

*After going through the written arguments and the amended claims **I am of the opinion that the non-oriented electrical steel sheet excellent in magnetic properties is obvious to the person skilled in the art over the cited documents since thin & high Si content reduce high frequency core loss is obvious and the ratios given are theoretical.** And the method steps given thereof to define the manufacturing of non-oriented electrical steel sheet excellent in magnetic properties is not in method step format and do not fit into the definition of a method claim since method claims should defined clearly incorporating by what physical constructional features the said steps are being enabled in the method in order to make the method to function/ work/ operate. The physical constructional features shall be numbered. The inventive method steps shall be characterized in the*



independent/principal claim. The method steps given in the claims are mere statements and do not involve any inventive process to manufacture non-oriented electrical steel sheet excellent in magnetic properties. The process of attain the ratio is theoretical than practical by the description and claims. Therefore the claims and the alleged invention falls under section 2(1) (j) & 10(4) of The Indian Patent Act 1970.

As such the application for patent cannot be processed further. Hence it is concluded that the claims 1 to 11 are not allowed in view of the Indian Patents Act. Therefore, I refuse to proceed with the application No. 435/DEL/2006 under section 15 of the Patents Act 1970. Dated 05/03/2012.”

9. This Court in **Agriboard International LLC v. Deputy Controller of Patents and Designs** [C.A.(COMM.IPD-PAT) 4/2022, dated 31st March, 2022] held that while rejecting an application for lack of inventive step, discussion on the prior art, the subject invention and manner in which the subject invention would be obvious to a person skilled in the art would be mandatory. Merely arriving at a bare conclusion that the subject invention lacks inventive step would be contrary to Section 2(1)(ja) of the Act itself, is insufficient. The relevant portion of the judgment reads as follows:

“24. In the opinion of this Court, while rejecting an invention for lack of inventive step, the Controller has to consider three elements-

- the invention disclosed in the prior art,
- the invention disclosed in the application under consideration, and
- the manner in which subject invention would be obvious to a person skilled in the art.

25. Without a discussion on these three elements, arriving at a bare conclusion that the subject invention is lacking inventive step would not be permissible, unless it is a case where the same is absolutely clear.



Section 2(1)(ja) of the Act defines 'inventive step' as under:

(ja) "inventive step" means a feature of an invention that involves technical advance as compared to the existing knowledge or having economic significance or both and that makes the invention not obvious to a person skilled in the art.

26. Thus, the Controller has to analyse as to what is the existing knowledge and how the person skilled in the art would move from the existing knowledge to the subject invention, captured in the application under consideration. Without such an analysis, the rejection of the patent application under Section 2(1)(ja) of the Act would be contrary to the provision itself. The remaining prior arts which are cited by Id. Counsel having not been considered in the impugned order, the Court does not wish to render any opinion in this regard."

10. This Court again in ***Gogoro Inc. v. Controller of Patents and Designs [C.A (Comm.IPD-PAT) 25/2021, dated 24th August 2022]***, following the decision in ***Agriboard (supra)***, set aside the unreasoned order of the Respondent rejecting the grant of the patent, and restored the patent application to its original position.

11. Considering the above legal position, a perusal of the impugned order would show that the order has been passed without a proper discussion of the novelty and inventive step objections under Section 2 of the Act. The impugned order does not make any reference to any of the prior art which is cited in the FER and has summarily rejected the patent application.

12. After perusing the impugned order, this Court is of the opinion that the matter deserves to be remanded for fresh consideration to the Respondent- Controller of Patents and Designs.



13. Considering that only a few years remain in the patent's term, let a decision in this matter be taken by the Respondent-Controller within a period of two months from today.

14. The hearing notice shall now be issued to the counsels on the basis of the FER, and the material contained in the hearing notice already issued dated 1st September 2011. No fresh hearing notice shall be issued. Further, the date of hearing shall be intimated to Id. Counsel for the Appellant.

15. The present appeal, along with all pending applications, is disposed of.

16. Copy of this order be communicated to the Respondent- Office of the Controller of Patents & Design at the email address : llc-ipo@gov.in.

PRATHIBA M. SINGH
JUDGE

JULY 7, 2023

dj/dn

