

**BEFORE THE CONTROLLER OF PATENTS
PATENT OFFICE, NEW DELHI.**

(Section 7 Rule 137)

In the matter of National Phase Application
No 5043/DELNP/2011 based on PCT
Application No. PCT/US/2007/022927 filed
by DURECT CORPORATION, USA

Hearing held on 26.07.2011.

Presents in the hearing:

1. Shri G.Nataraj of Subramaniam, Nataraj & Associates on behalf of the applicant.
2. Aayashi Mahla of Subramaniam, Nataraj & Associates.
3. Shri Sameer Swarup Assistant Controller of Patents and Designs

ORDER

FACTS OF THE CASE

1. The petitioner through their patent agent sent a patent application on 4th February 2010 which was received in the Patent Office New Delhi on 08.02.2010. This application was intended to be filed in India under National Phase based on International application PCT/US/2007/022927 dated 29-10-2007 under Patent Cooperation Treaty hereafter referred as "PCT " which was claiming the priority date of US application No 60/856656 dated 03-11-2006 and 60/936866 dated 22-06-2007. The documents relating to said intended national phase application were returned by the Patent Office to the said patent agent on 25.02.2010 on the ground that application is time barred since the applicant failed to file the said application within 31 months from the date of priority within the provision of Rule 20(4)(i) of the Patents Rules 2003 (a delay of more than 8 months). Aggrieved by the above letter dated 25.02.2011 of the Patent Office ,the petitioner filed a writ petition in the High Court of Delhi vide W.P(C) 3392 of 2010. The said writ petition was disposed

of by Hon'ble High Court of Delhi vide order dated 03.05.2011 with the following directions to the patent office(Respondent)

- (a) The respondent will consider the application of the petitioners together with the request for condonation of delay which has been filed beyond the period of 31 months within the period of 8 weeks from the receipt of the order.
 - (b) The respondent will consider the application filed under rule 137 and thereafter pass a reasoned order.
2. Pursuant to the directions of the Hon'ble High Court, the petitioners on 30-06-2011 submitted their application along with petition under rule 137 of the Patents Rules 2003 and section 80 and 81 of the Patents Act 1970 for condonation of delay with prescribed fee. This application was allotted filing number 5043/DELNP/2011. This is also a fact on records that agent for the petitioner also submitted these documents in the patent office on 13th May 2011 to file this application with petition but without the copy of the said order of the Hon'ble Court and therefore same was returned back to them as the agent could not file the copy of the said order along with these documents and also Patent office was not aware about the said order of the Hon'ble Court since it did not receive from the Government Counsel on that date. However on 16-06-2011 by e-mail the government Counsel informed the Patent office that they have received the order of the Hon'ble High Court only on 09-06-2011 and sent the copy of the same with said e-mail.
3. Having received the said order dated 03-05-2011, the Patent office informed the agent for the petitioner vide office letter dated 24th June 2011 to act as per the directions of the Court (i.e. to file the documents of application and petition under 137 for condonation of delay). Accordingly the agent for the petitioner submitted the said document again with petition with prescribed fee on 30th June 2011 and this application was accorded the number as indicated above. Pursuant to the direction of Hon'ble Court, the hearing was fixed on 21st July 2011 and agent was informed accordingly. However the said hearing was adjourned on the request of the agent and same was refixed on 26th July 2011 and same was attended by Mr G.Nataraj and his colleague from M/S Subramaniam, Nataraj & Associates.

Submission by the agent for the petitioner:

4. During the hearing Mr Nataraj submitted that delay in filing the National phase application was inadvertent and beyond the control of the applicant due to human error to put the document wrong docket that is error in docketing the due date by one Mr David Abraham working as Senior Director of Patents and IP with the petitioner..To justify the docketing human error, Mr Nataraj relied upon the affidavit of Mr Thomas P.McCracken, Vice President and Chief Patent Counsel, Durect Corporation (petitioner). Mr Thomas P.McCracken in his affidavit has stated as under;

(a) PCT Application number PCT/US2007/022927 was filed on 29th October 2007claiming the priority from two US Applications namely **60/856,656** filed on 3rd November 2006 (**First provisional application**) and **60/936,866** filed on 22nd June 2007(**Second provisional application**).

(b) When the First provisional application was filed on 3rd November 2006 this was given the unique docket no **DURE-065 PRV** which provides for base date for future deadlines to be calculated by software.

(c) When the second provisional application was filed on 22nd June 2007, this was given the unique docket no **DURE-066 PRV** but unfortunately a mistake occurred .Instead of entering this application in the original family a new patent family was opened and therefore provides for base date for future deadlines to be calculated by software for this new patent family. Therefore the second provisional application should have remained in the First patent family having unique docket no **DURE-065 PRV**.

(d) When the PCT Application Was filed on 29th October 2007this was given the internal docket number DURE-066WO which represents the PCT Convention filing in unique **DURE-066** patent family. Accordingly Durect internal records were following the second priority date of 22nd June 2007 as base date for calculating the national/regional phase deadlines instead of the first priority date of 3rd November 2006.

(e) In October 2008 Durect carried out a complete audit of all the internal system and checked all the record with Mr David and everything was

found in order and thereafter Mr David left the Company in December 2008.

- (f) It was only on 20th July 2009 he received a letter from EPO (European Patent Office) advising that 31 months deadline Of 3rd June 2009 has been missed in Europe and became aware of Mr David's mistake. On 22nd July 2009 matter was discussed with the representative of J.A.Kemp & Co (probably a attorney firm) and advise them to try to file late or to apply for reinstatement in several other countries including in India
 - (g) It was advised by the attorney that in order to support the late filing of the national phase application in India it would be necessary to provide evidence that the omission to timely enter the national phase was unintentional.
 - (h) In addition to India the petitioners applied for reinstatement in Australia, Canada, Europe and Israel and permitted therein. However they were precluded from reinstatement in Japan and China under local patent laws and case is pending in US
 - (i) Since India is one of the most significant pharmaceutical territories in the world and this is a rare and unintentional error, they should be excused and application be taken on record
5. In the petition filed under rule 137, the petitioners have stated that their Indian attorney advised them that time prescribed for complying with the requirement of rule 20 of the Patents Rule 2005 has expired However it was stated by them that under rule 137, the Controller of Patent has powers to correct any irregularity in procedure..It has also been stated that by the petitioners that in past few years Indian Patent law and rules have undergone several changes in quick succession and this has caused some confusion in the mind of various applicants including the petitioner.
6. The petitioners have also stated that on 7th October 2009, they submitted by hand the instant application for filing along with a petition for correction of irregularity and affidavit in support explaining the circumstances under which the 31 months time line under rule 20 was missed. The procedure for submitting the application was entirely based on long-standing practice of the patent office and office without assigning any reason used to refused to take

the application on record and simply orally advised the applicant that application was time barred being beyond 31 months time limit as patent office database can not accept the application.

7. The petitioners have further stated that due date of 31 months from the earliest priority date is imposed not by any mandatory provisions of the law under the Patents Act 1970 but merely by a rule of procedure under the Patent Rules 2003. It is further stated that any delay or irregularity in compliance of a requirement of procedure may be condoned under discretionary powers vested in the Controller and such discretionary powers are vested in the controller under rule 137 and Rule 138 of the Patent Rules as well as section 80 and 81 of the Patents Act 1970.
8. It is further stated by the petitioners that under article 48(1) and (2) of the PCT, the contracting states shall make provisions for extension of time for any of the actions prescribed under Patent Cooperation Treaty. Since the filing of national phase application is an action prescribed under PCT and therefore it is mandatory to provide the extension of time which India has failed to provide and therefore constitute violation under PCT. It is further stated that under rule 23 of the Patent Rules 2003, in the event of any conflict between the provisions of the Patent Rules and provisions of Treaty, regulations and administrative instructions made there under, the provisions of treaty, regulations and administrative instructions shall prevail. It is further stated that under the provisions of rule 82bis, of the PCT regulations a contracting state is duty bound to consider late national phase entry where the applicants have provided cause for delay in entry into national phase.
9. During the hearing Mr Nataraj to support his argument also submitted an **Exhibit -1**(containing the corrected notice of National phase entry dated 05th March 2010 by Canadian Intellectual Property office, Filing receipt of Australian IP Office dated 16th September 2009 allowing the extension of time under section 223(2) of the Act), **Exhibit-2**(decision of the European Patent office allowing the further processing of the application under Art.135(3) read with Art. 121 of European Patent Convention and decision of Israel Patent office vide letter dated 15th October 2009), **Exhibit-3**, a decision of Intellectual Property appellate Board (**Koninklijke Phillips Electronics NV vs Kay Kay Home Appliances Pvt Ltd and Anr**) condoning the delay in filing the appeal

on the ground of establishment of sufficient cause in applying the provisions of section-5 of limitation Act no matter what is the length of delay, **Exhibit-4** , a decision of Hon'ble Supreme Court , where Hon'ble court laid down that expression "sufficient cause" within the meaning of section-5 of the Limitation Act or Order 22 Rule-9 of the Code or any other similar provision should receive a liberal construction so as to advance substantial justice when no negligence or inaction or want of bonafide is imputable to a party, and **Exhibits 5 to 8** (decisions of courts and copy of book on the law of Limitation explaining the provisions of section 5 of the Limitation Act and similar other points. At the end of the hearing Mr Nataraj submitted that condonation of delay in this case is not detrimental to any party, Filing of the application and giving filing number does not create any right to third party, nothing in the Act regarding the period of delay to be condoned and provision of law of limitation on sufficient cause be applied.

10. In view of the above reasons mentioned in the petition filed under rule 137 and affidavit of Mr Thomas P.McCracken and arguments submitted in the hearing the agent for the petitioners have requested to condone the delay and allow the application to take on record for further processing under th Patent Law in India.

Analysis of the arguments and Evidences

11. It is a matter of fact and record that petitioners DURECT CORPORATION filed an International Patent application no PCT/US 2007/022927 on 29th October 2007 under PCT which was claiming the priority dates of TWO US applications (No 60/856656 dated 03-11-2006 and 60/936866 dated 22-06-2007).This is very clearly evident from the WIPO publication dated 05th June 2008 with Publication no WO 2008/066642 A2 under Patent Cooperation Treaty.
12. It is also a matter of record that based on the above mentioned International Patent application, the agents for the applicant in India first time sent their application along with a petition under section 137 for condonation of delay and affidavit of Mr Thomas P.McCracken accompanying a cheque of Rs 48000 dated 4th February 2010 towards the prescribed filing fee) by post (courier) to the patent office Delhi on 4th February 2010 which was received in

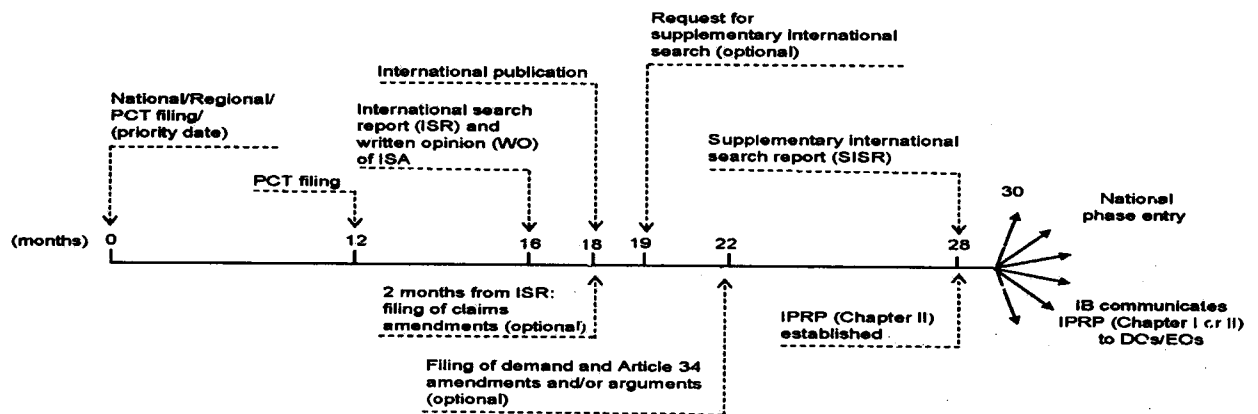
the office on 8th February 2010 and returned to them vide office letter No POD/CASH/FR/2010/137 dated 25th February 2010 on the ground that time limit of 31 months for filing National Phase application is already over.

13. Although in the write petition before Hon'ble Delhi High Court as well as in the petition under rule 137 for the condonation of delay before the Controller of Patents, the petitioners have mentioned that they submitted this application to the Patent Office earlier also on 7th October 2009 by hand with a petition for correction of irregularity and an affidavit in support explaining the circumstances missing the deadline of 31 months which was alleged to have been returned by the Patent office without assigning any reasons orally advising that application was time barred and thereafter also made several attempts to discuss the matter with controller, if that was the case, then why the Petitioner did not send the said application by post / courier on any day after 07.10.2009 or within any reasonable time thereafter. However they have failed to establish their such acts in the absence of any supporting documents such as **any cheque** for the prescribed fee to be paid for this application as well as for the **petition** in a similar way they have submitted on 4th February 2010. The copy of cheque dated 4th February 2010 is also submitted with said writ petition as well the petition under 137 for the condonation of delay. It is further noted that petitioners took about 4 months to send the documents by post that too by courier, which they could have done anytime after 7th October 2009. In view of this, it is clear that their first attempt was only on 4th February 2010 and not before as the agents for the applicants were well aware about the provisions of filing national applications in India. Therefore, there has been delay and latches on part of the Petitioners all through.

14. At the outset, let me explain the various provisions in PCT as well Indian Patent Act and Rules relating to national phase application in India.

(a) Time lines under PCT

PCT TIMELINE



Timeline-2
20.05.10

WIPO
WORLD
INTELLECTUAL PROPERTY
ORGANIZATION

From the above mentioned diagram, it is very clear that Bureau of WIPO under PCT has clearly outlined the time limits of various actions to be taken not only by the applicants but also by International Searching Authority (ISA) or by International Preliminary Examination Authority(IPEA), Bureau of WIPO as well after filing of the International Application for Patent. These timelines are calculated from the date of priority date in the national country to which applicants belong to. The priority date is the date of filing of a patent application filed in the National country before filing International application under PCT.

(b) According to provision of section 138(4) of the Patents Act 1970, an international application filed under patent Cooperation Treaty designating India shall have the effect of filing an application for patent under section-7, section-54 and section-135 as the case may be whereas section-7 relates to Form of application to be filed in India, section 54 relates to patent of addition and application therefor and section 135 relates to convention applications and their filing in India. Therefore all the convention applications as well as National Phase applications under PCT are treated on the same footings by virtue of this section. Further, section 137 deals with the issue of multiple priorities being claimed by the applicant in one convention application. According to the provisions of this section only filing date of earliest application being considered for priority purpose to file the application

- (d) Article 22(1) of PCT provides that the applicant shall furnish a copy of the international application and a translation thereof (as prescribed), and pay the national fee (if any), to each designated Office not later than at the expiration of 30 months from the priority date. According to Article 22(3) any national law may fix time limits which expire later than the time limit provided for in those paragraphs. Accordingly under this provision India has fixed the time limits of 31 months (beyond 30 months) under rule 20(4) to file the national phase application failing which the application shall be deemed to be withdrawn under Rule 22 of the Patents Rules, 2003 which provides that an international application designating India shall be deemed to be withdrawn if the applicant does not comply with the requirement of rule 20. .
- (e) Article 48 of PCT deals with delay in meeting the certain time limits under PCT procedure. Paragraph (1) deals with the delay caused due to **interruption in the mail service or unavoidable loss or delay in the mail**. Paragraph (2) (a) provides that any Contracting State **shall**, as far as that State is concerned, excuse, for reasons admitted under its national law, any delay in meeting any time limit (that is due to interruption in the mail service. In order to meet the obligation of paragraph 48(2) (a) of the PCT, rule 7(5) of the Patent Rules 2003 provides for the provisions to condone the delay occurred due to postal services or mail services which can be condoned by the controller. However surprisingly the agent for the applicant in his petition for condonation (PARA 26) has stated that India has not made any provision in respect of Article 48 which is not true at all in view of the above provisions in the Indian Patent Rules. In any case this is not the case of the petitioners as at no point of time they have stated that this is the reason for the delay in filing the national phase application. The provisions of Paragraph (2)(b) of Article 48 of PCT are not mandatory in nature to provide the excuse for reasons other than those referred to in subparagraph (a)(other than postal or mail), any delay in meeting any time limit and therefore are not binding on India and therefore India chose not to condone delay in filing national phase applications beyond 31 months as per PCT Rule 49ter.2(h). However

rule 138 of the Patents Rule provides for extension of time beyond prescribed limit provided the request for extension is made before prescribed period of time limit. Therefore it is not true on the part of petitioner as well as on the part of agent that India does not provide for the provisions in accordance with Article 48 of the PCT.

(f) Rule 22 deals with effect of non-compliance with certain requirements, according to which an international application designating India **shall be deemed to be withdrawn if the applicant does not comply with the requirement of rule 20** which in turn deals with filing of national phase application, payment of prescribed fee, various time limits and filing of translation in English.

(g) Rule 49.6 of the PCT deals with reinstatement of Rights(priority right) after failure to perform the acts referred to in Article 22 on the terms and conditions as mentioned in paragraph (a) to (e).However according to paragraph (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

Accordingly India has notified to Bureau of WIPO to that effect under Rule 49(f), 49ter (1)(g) which can be seen on the WIPO website as **"PCT Reservations, Declarations, Notifications and Incompatibilities"**(http://www.wipo.int/pct/en/texts/reservations/res_incomp.html)

Similarly Rule 49ter deals with effect of restoration of right of priority by receiving office; restoration of right of priority by designated office. Since India has not acceded to provisions of section 49.6, these provisions are also not applicable therefore this is also notified to WIPO Bureau therefore such reservations under Rule 49ter (2)(h) by India along with other office can also be seen on the WIPO website. Apart from these reservations India has also notified other reservations under Rule 26 *bis* relating to correction or addition of priority claim. In view of such declaration by India to WIPO, the reinstatement of application or

restoration of priority will be against the International Commitment by India which have clearly been notified and are also published in PCT applicants Guide (<http://www.wipo.int/pct/guide/en/gdvol2/annexes/in.pdf>). Notwithstanding what is discussed above, otherwise also, as per the PCT Rule 49ter.2 (**although not applicable in India**) the priority right can be restored only if National Phase application along with application for condonation is **filed with 2 months of expiry of priority period**. Therefore, the delay of 8 months of the Petitioner in filing National Phase application in India can not be condoned.

Accordingly the provisions of rules 23(2) which states that in case of a conflict between any provisions of the contained in Chapter-III and provisions of PCT and the regulations and the administrative instructions made there under, the provisions PCT and the regulations and the administrative instructions made there under shall apply in relation to international application, are clearly applied in the present case.

15. Let me consider now the affidavit of Mr Thomas P.McCracken Vice President and Chief Patent Counsel, Durect Corporation. In his affidavit he has stated that it is an unintentional error due to docketing by one Mr David.. As per his statement in paragraph 11 of the affidavit, Durect carried out the complete audit of all internal System found everything to be in order and it was only when on 20th July realised the mistake when they received the letter dated 10th July 2009 from the European Patent Office. It clearly shows that the petitioners might have filed PCT National application some where Middle of the June or early July 2009 (**around the due date**) knowing fully well that EPO provides for restoration of priority right under EPC and regulation made there under. If India was their one of the most significant territories in the world as his statement, what prevented them to file the national application in India at that point of time? I completely agree with content and statement given by him in paragraph-17 that Australia,, Canada, Europe and Israel allowed the reinstatement of priority right as this provided in their patent law and regulations. However the same has been refused by Japan and China since they do not have such provisions of restoration of priority right like India as these countries have also notified to Bureau of WIPO as "PCT

Reservations, Declarations, Notifications and Incompatibilities". In fact the case in their home country is still pending.

As regards docketing error, it has been stated that First provisional application filed on 3rd November 2006 was docketed as **DURE-065 PRV** second provisional application filed on 22nd June 2007 was docketed as **DURE-066 PRV but in new family instead of original Family** due to which base date for future deadlines were wrongly calculated by the software from the date of second provisional application. However on both counts the USPTO has given two different numbers and therefore earliest date would have been the base date to calculate the due date. If that be the case believed to be true as stated by the deponent, then due date for national phase entry in countries having 30 months time limits including the European Patent Office would have been November 2009 or the country like India having 31 months' time , then December 2009. But this was not the case as is evident from the letter from European patent Office pointing out the defects where they have filed their application much earlier.

Further as per the paragraph-10 of the Affidavit, the deponent has stated that while filing of PCT international application on 29th October 2007, this PCT application was given internal docket number **DURE-66 WO** which represents the US application under docket Number –**DURE-66** following the priority date of second provisional application filed on 22nd June 2007 instead priority date of first application filed on 3rd November 2006.and therefore calculating the deadline for national phase filing as 22nd December 2009.This statement of the deponent is very hard to believe due to following reasons

- (a) If that be the reason, then how the petitioner were able to file the national phase application with European Patent office?
- (b) While filing the PCT International application on 29th October 2007, the applicants have clearly given the docket No as **DURE-66 WO in Form RO101** where priority of both the US Applications filed on 3rd November 2006 (the First application) and other one filed on 22nd June 2007(second application) have been claimed under box No.- VI of the form relating to priority claim which clearly establishes that there was no confusion in the mind of petitioner regarding the

earliest priority date to calculate the deadline for entering the national phase

(c) European Patent office as International Searching authority elected by the petitioner has sent the International search report to the petitioner on 13th March 2009 clearly mentioning the priority date as 3rd November 2006 and also the subsequently issued international preliminary examination report.

(d) On 02nd April 2008 subsequent to filing of International application on 29th October 2007, the PCT Division of WIPO issued notification concerning submission or transmittal of priority document under section 411 of PCT Administrative instruction whereas priority date has been mentioned as 3rd November 2006 with docket No DURE-66 WO and ***therefore the petitioners were well aware about the earliest priority date and as such there was no confusion in their mind about the same.*** Accordingly the petitioners have failed to establish **sufficient cause (under Limitation Act)** for the delay occurred in filing the National phase application in India.

(e) It is also evident from the WIPO publication No WO 2008/066642 dated 5th July 2008 of their International application PCT/US/2007/022927 under PCT that said application is claiming the priority of two applications namely first application filed on 3rd November 2006 and second application filed on 22nd June 2007 as same have been mentioned very clearly in the said publication of WIPO in the PCT Gazette. Therefore the petitioners had enough time from 5th June 2008 to 3rd June 2009 (almost a year) to rectify their system and also to calculate the due date to enter the national phase of designated countries. In any case it is upto the applicant or petitioners to be vigilant to protect their rights by following the provisions in the law. If any one keeps his house open without any safety and security measures, it invites the trespassers and that is the case of the petitioners.

16. Now I shall deal with the petition filed under rule 137 of the Patents Act 1970 for condonation of delay. It may be noted that rule 137 provides for the power

to the controller to obviate the irregularity in the procedure without the detriment to any person which is a discretionary power of the controller and requires to be exercised judiciously. Section 80 of the Patent Act 1970 guides the controller in exercising the discretionary powers. Section 81 provides the statutory power to the controller in exercising the power under the provisions of the Act and Rules for extension of time as prescribed under the law. However it does not provide any authority to the controller to extend any time limit which is not provided either in the Act or in the rules.

The provisions of rule 137 are applicable to rectify or condone the irregularity in the procedure which can be obviated *without detriment* to the interest of any person. The irregularities in the procedure under this rule includes the amendment of document for which no specific provision is made in the Act , the filing of priority document if not filed with the application or within time prescribed under the Act or rules, copy of the translation of the document, Statement and undertaking regarding corresponding foreign application in form-3, proof of right by way of assignment under section-7 etc which can be permitted after filing of the application in India at later stage in order to obviate the irregularities. But certainly not the filing of the national phase application itself for which very clear provisions are available in the Patents Act and the rules made there under including the condonation of delay and extension of time.

It is further observed that said international application has already been published in the PCT Gazette on 5th June 2008. It may also be noted that according to rule 22 of the Patent Rules 2003, an international application designating India shall be deemed to be withdrawn if the applicant does not comply with the requirement of rule 20. The total effect of these provisions is that after publication of International application after 18 months and subsequent failure of the applicant to enter the national phase within the prescribed time in India has resulted in the withdrawal of this application and therefore as such makes every Indian national entitled to use or enjoy the invention disclosed in this application freely without the fear of infringement in a way they wish to as the information of the invention has become part of the public domain. Therefore any condonation of delay or irregularity under rule 137 of the Patents Rules 2003 will deprive public at large of their right and will

definitely be detrimental to the interest of any person (public) as well as the companies / persons who might have been using during this period the said invention disclosed in this application. Therefore the discretionary power of the controller to consider petition under rule 137 for condoning the delay in filing the national phase application can not be exercised for above mentioned reasons.

It has also been observed that time and again the applicants or their agents in India, while requesting for condonation of delay for filing the national phase application in India after expiry of prescribed period, have been making the “**Docketing error**” as ground. (See for instance para 6 and 7 of the decision of the Hon'ble court quoting the pleadings of the petitioner as well as their attorneys in **NIPPON STEEL CORPORATION vs UNION OF INDIA (W.P. (C) 801 of 2011)**). The docketing is an internal issue which should have taken care by the applicants particularly when they are dealing with patent related matter where specific time limits are followed nationally as well as internationally.

The Hon'ble High Court of Delhi in **NIPPON STEEL CORPORATION vs UNION OF INDIA (W.P. (C) 801 of 2011)** in their decision dated 8th February 2011 held that the scheme of the Act and the Rules require time-bound steps to be taken by applicants for grant of patent at various stages. The 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” the 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 that the time-limits under..... the Act read with Rules are merely “directory” and not mandatory. Therefore the petitioner should have followed the time limit as prescribed in the rules.

I have also gone through the circumstances of the delay as explained in the petition filed under rule 137 and the affidavit of the deponent and also the evidences submitted by the agent of the applicant during hearing. While considering the above, I am further guided by the paragraph quoted by Hon'ble High Court in their decision in **NIPPON STEEL CORPORATION vs UNION OF INDIA** that *in Kailash v. Nanhku (2005) 4 SCC 480*, the Hon'ble Supreme Court had cautioned that power to condone the delay in filing a

written statement beyond the statutory outer limit of 90 days had to be exercised very sparingly. In the later decisions in R.N. Jadi & Brothers v. Subhashchandra (2007) 6 SCC 420 and Mohammed Yusuf v. Fajj Mohammad (2009) 3 SCC 513, the Supreme Court has further clarified this position.

Conclusion

17. Having considered the petition under rule 137, evidences, affidavit, arguments during hearing submitted by the petitioner and their agent and all the circumstances of this case and facts on the record and also in view of my findings above, I am of the opinion that the National phase application No 5043/DELNP/2011 filed on 30th June 2011 can not be taken on record further processing under the Patents Act 1970 and Patent Rules 2003 for the above mentioned reasons ,mainly as under

- (a) The said application has been filed after expiry of the prescribed period of 31 months even if it is considered that said application sent by post on 4th February 2010 which was received in the patent office on 8th February 2010 which is about 8 months beyond the expiry of the said prescribed period.
- (b) The docketing is the internal issue of the applicants, Moreover, delay due to docketing error has not been justified and reason explained by the deponent in the affidavit has also not justified the sufficient cause of the delay as the petitioners were well aware about the earliest priority date upto 13th March 2009 when International Search Report was sent to them by International Searching Authority report and through this period from the filing date of International Patent application under PCT the earliest priority date of 3rd November 2006 was well within the knowledge of the petitioners as same has been quoted in all communication by PCT Division with docketing **No DURE-066 WO**. In fact the petitioners have been able to file the national phase application in the European Patent office some where in June or July 2009 with same so called docketing error.
- (c) The delay in filing the national phase application is not condonable under rule 137 of the Patents Rule 2003 as such provisions do not deal with condonation of delay but condonation of irregularity in the

procedure and hence are not applicable. Even it is considered to be applicable, such condonation of delay will be detrimental to the public at large as well as to the companies / persons who might have been using during this period the invention disclosed in this application and therefore deprive them the freedom to use the invention without fear of infringement since said application has become deemed to be withdrawn by virtue of the provision of rule 22 of patents the rules.

(d) As India has notified to Bureau of WIPO during the accession of the treaty, the inapplicability of certain provisions relating to restoration of lost priority due to failure to observe the time limits to comply with the requirements under the national, as well relating to correction or deletion of priority date, the priority once lost due to above reasons can not be restored as mentioned clearly in the WIPO notification as well as PCT Application guide which is well within the knowledge of the petitioners as well as the agent for the applicant in India. Therefore the Controller has no power to restore such lost priority date in accordance with said provisions.

18. In view of the above, I hereby order that the national phase application No 5043/DELNP/2011 filed on 30th June 2011 shall not be taken on record for further processing under the Patents Act 1970 and Patent Rules 2003 in the usual manner and shall be considered deemed withdrawn under rule 22 of the Patents Rules 2003 accordingly no action shall be taken on the request for examination RQ No 5572/RQ-DEL/2011 filed on 30th June 2011.

Dated this 23rd day of August 2011



(Dr K.S.Kardam)

Deputy Controller of Patents and Designs

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