

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
WRIT PETITION NO. 1258 OF 2011**

TEIJIN LIMITED )  
6-7 Minamihommachi, )  
1-Chome, Chuo-ku, )  
Osaka-shi, Osaka, 541-0054, Japan ) ..... Petitioner.

V/s

**1.** Union of India through the Secretary )  
Department of Industry )  
Ministry of Industry and Commerce )  
Udyog Bhawan, New Delhi )  
)  
**2.** The Controller General of Patents )  
& Designs, Patent Office, )  
Boudhik Sampada Bhawan, )  
CP-2, Sector V. Salt Lake City )  
Kolkata- 700 091 )  
)  
**3.** The Senior Joint Controller )  
of Patents and Designs, Head of )  
Office, having its office at Boudhik )  
Sampada Bhawan, )  
SM Road, Near Antop Hill Post Office )  
Antop Hill, Mumbai - 400 037 ) ... Respondents.

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Dr. Virendra Tulzapurkar, Senior Counsel with Mr. Ramesh  
Gajaria i/b Gajaria & Co. for the Petitioner.

Mr. A.M. Sethna with Mr. G. Hariharan i/b Mr A.A. Ansari for  
the Respondents.

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**CORAM: V. M. KANADE &  
M. S. SONAK, JJ.**

**Judgment reserved on : 12/12/2013  
Judgment pronounced on: 10/02/2014**

**ORAL JUDGMENT: (Per V.M. Kanade, J.)**

1. Heard.
2. Rule. Rule is made returnable forthwith. Respondents waive service. By consent of parties, matter is taken up for final hearing.
3. By this Petition which is filed under Article 226 of the Constitution of India, Petitioner is seeking an order or direction for quashing and setting aside the impugned orders dated 03/01/2011 and 09/03/2011 passed by Respondent No.3 on behalf of Respondent No.2. Petitioner further seeks an appropriate writ, order or direction directing the Respondents to correct its record so as to reflect that 3<sup>rd</sup> to 9<sup>th</sup> year annuities for the Patent No.207883 as paid and also to correct its record so as to reflect that 10<sup>th</sup> year annuity for the Patent No.207883 as paid. Petitioner is further seeking restoration of Patent No.207883 or in the alternative a direction directing the Respondents to proceed with the application for restoration of Patent No.207883 on merits and

in accordance with law.

4. Petitioner is a Japanese Corporation registered under the laws of Japan and established in 1918.

5. Brief facts which are relevant for the purpose of deciding this Petition are as under:-

**FACTS:**

6. Petitioner on 17/12/1999, filed a patent application in India out of International Patent Application Number PCT/JP/99/02126 dated 21/04/1999 under Patent Cooperation Treaty (PCT) which was numbered as IN/PCT/1999/00014/MUM in respect of an invention entitled "Pharmaceutical Composition for Application to Mucosa".

7. The said application was scrutinized and the Patent Office granted a Patent under Patent Number 207883 (For short "the subject patent") on 29/06/2007. The subject Patent was recorded in the Registrar of Patents on 24/07/2007.

8. The due date for payment of accumulated 3<sup>rd</sup> to 9<sup>th</sup> year annuities for the subject patent was 24/10/2007. It is the case of the Petitioner that its Attorneys, Remfry & Sagar vide

their letter dated 22/10/2007 forwarded payment of 3<sup>rd</sup> to 9<sup>th</sup> year annuities to Patent Office at Mumbai by courier. According to the Petitioner, there was an inadvertent error in mentioning the particulars of the subject patent in the said letter. As soon as this fact was noticed by its Attorneys, this error was immediately brought to the notice of the Patent Office on the very next day i.e. on 23/10/2007. It is the case of the Petitioner that the request for taking the 3<sup>rd</sup> to 9<sup>th</sup> year annuities including the correction made to rectify the order was made within the due date of 24/10/2007. A request was also made for issuance of a renewal fee certificate.

9. According to the Petitioner, the 10<sup>th</sup> year annuity for the subject patent was due on 21/04/2008. According to the Petitioner, it had entrusted its subsidiary Teigin Intellectual Property Centre Limited to handle the matters connected with Patent or Intellectual Property. According to the Petitioners, its said subsidiary accordingly instructed the Olcott International & Co./LLC (For short "Olcott") which, in turn, instructed M/s H.V. Williams and Co. (For short "Williams") to pay 10<sup>th</sup> year annuity for the subject patent. Petitioner's case is that, accordingly, by letter dated 04/03/2008, payment of the 10<sup>th</sup> year annuity was made at the Patent Office and the said amount was accepted by the Patent Office on 07/04/2008 for which the Patent Office also issued a fee receipt.

10. According to the Petitioner, even the 11<sup>th</sup> year annuity was paid on 17/03/2009 which was duly acknowledged by Williams on 23/03/2009. It is contended that, by mistake, their Attorneys had stated that the payment was being made of 10<sup>th</sup> year annuity instead of 11<sup>th</sup> year through their letter dated 23/04/2009 and accordingly the Patent Office Mumbai in its record have stated that payment was received as 10<sup>th</sup> year annuity.

11. Thereafter, 12<sup>th</sup> year annuity was paid on 30/04/2010 and the following noting was made on the said letter dated 24/04/2010 viz. "Renewal fee is not accepted by the module even with extn. also. Sent to RMID III for n/a" and "Patent ceased on 21/04/2009 due to non-payment of 11<sup>th</sup> year renewal fee". S/d."

12. Petitioner, thereafter, filed an application for restoration of the subject patent under section 60 of the said Act, seeking restoration of the Patent. This application for restoration was filed on 17/09/2010 much prior to the last date for filing application for restoration of the Patent which was 21/10/2010.

13. It is the case of the Petitioner that the Petitioner produced relevant record and letters sent by the Petitioner

before the Respondents. However, in spite of the production of all the relevant documents, Respondent No.3 informed the Petitioner that it was not possible to correct the error and that renewal fee had been paid for Patent No.208225 on 23/10/2007 and after such a long period of three years, it was not possible to correct the error by module. Petitioner, thereafter, again approached the authorities and brought on record further material to show that payment had been received for the 10<sup>th</sup> year annuity for the subject Patent. According to the Petitioner, in spite of the clarification given by the Petitioner, Respondent No.3 informed the Petitioner that its request for taking on record renewal fee for 3<sup>rd</sup> to 9<sup>th</sup> year paid for the Patent No.208225, as payment being made for renewal of Patent No.207883 and also to take on record renewal fee for the 10<sup>th</sup> year for the said Patent could not be accepted and Respondent No.3 also informed the Petitioner that the status of Patent No.207883 is 'as ceased'.

14. Being aggrieved by the said orders dated 03/01/2011 and 09/03/2011, Petitioner has filed this Petition under Article 226 of the Constitution of India.

**SUBMISSIONS:**

15. Mr. Virendra Tulzapurkar, the learned Senior Counsel appearing on behalf of the Petitioner submitted that

Respondent No.3 had committed an error in holding that the subject patent had ceased. He submitted that the Petitioner had initially through their Attorneys forwarded payment of 3<sup>rd</sup> to 9<sup>th</sup> year annuities to the Patent Office at Mumbai by letter dated 22/10/2007. He submitted that when the Petitioner realized that the Number of the Patent was wrongly mentioned in the said letter as Patent No.208225 instead of Patent No.207883, Petitioner immediately addressed a letter on the very next day dated 23/10/2007 informing the Respondents that the payment was in respect of 3<sup>rd</sup> to 9<sup>th</sup> annuities for the subject Patent No.207883. He submitted that the said request for correction was made before the due date viz 24/10/2007. He submitted that payment for the 10<sup>th</sup> year annuity was also made vide letter dated 04/03/2008 and, thereafter, 11<sup>th</sup> year annuity was paid on 17/03/2009, though in the said letter it was inadvertently mentioned that the payment was made for the 10<sup>th</sup> year instead of 11<sup>th</sup> year. He submitted that there was no refusal on the part of the Respondents to take letter dated 23/10/2007 on record from the Patent Office and, therefore, the Petitioner had inferred that its request to correct the inadvertent clerical errors has been accepted. It is contended that had the Patent Office informed the Petitioner that its request made in the letter dated 23/10/2007 could not be accepted, the Petitioner could have taken the remedial measures since the Petitioner still had six months' time to pay the 3<sup>rd</sup> to 9<sup>th</sup> year annuity

payment by April, 2008 with extension fee. It is submitted that, there was no default on the part of the Petitioner and on account of bureaucratic red-tapism in the Office of Respondent Nos. 2 and 3, Respondents had rejected the legitimate request of the Petitioner to make corrections in the record. Secondly, it is contended that there was no question of the Patent being ceased for the alleged non-payment of 3<sup>rd</sup> to 9<sup>th</sup> year annuities/fees when the annuity/fee for 10<sup>th</sup> year was duly accepted and received by the Office of Respondent No.2. It is submitted that Respondent No.3 having accepted all annuities upto 10<sup>th</sup> year annuity, Respondents were estopped from now declaring that the subject patent had been ceased due to non-payment of 3<sup>rd</sup> to 9<sup>th</sup> year renewal fees. It is submitted that the decision of Respondent No.3 was contrary to the material on record and prejudicial to the legitimate right of the Petitioner.

16. The learned Senior Counsel appearing on behalf of the Petitioner submitted that under the Patents Act, 1970 and the Rules framed thereunder, adequate discretionary powers have been vested in the Controller to act judiciously. Reliance has been placed on Rules 129 and 137 of the Patents Rules, 2003. It is submitted that a direction, therefore, may be given to Respondent No.3 for correction of record improperly maintained by the Respondents.



17. An affidavit-in-reply has been filed on behalf of Respondent No.3. The learned Counsel appearing on behalf of the Respondents submitted that the Petitioner has an alternative efficacious remedy of filing an appeal as per the provisions of the Act. Secondly, it is submitted that an exclusive right has been granted to the Patentee under section 48 of the Act. However, to enjoy such wide ranging rights against the public at large, the Act requires the Patentee to be diligent in maintaining his Patent. It is contended that that in case of failure on the part of Patentee to act as required within the prescribed time limits, penalties in the nature of 'abandonment', 'withdrawal', 'lapse' etc. are imposed by the statute and in such a case right gets accrued to the public. Reliance has been placed on the judgment of the Delhi High Court in *M/s Nippon Steel Corporation vs. Union of India* in Writ Petition No.(C) 801 of 2011. It is submitted that the payments made by letter dated 22/10/2007 were received in the Patent Office, Mumbai on 23/10/2007 and the appropriate entries were made in the Register of payments against all 16 patents. It is contended that under the provisions of section 142(4) of the Patents Act read with the Rules framed thereunder, Petitioner was required to pay renewal fee on or before 24/10/2007 and on failure of payment of renewal fee, a further period of six months was available for making payment under section 53(2) read with Rule 80(1-A) and upon failure to do so,

Section 53(2) came into operation and the Patent therefore had ceased. It is contended that the last date for making payment of renewal fee was 24/04/2008 and since the Petitioner failed to pay the renewal fee before expiry of the said date, the alleged Patent got lapsed by operation of law. It is then contended that the letter dated 23/10/2007 which was allegedly sent by the Attorneys of the Petitioner was, in fact, never received by the Respondents. Reliance has been placed on copies of the extract of the Inward Register maintained by Respondent No.3 for a period from 22/10/2007 to 28/10/2007 annexed to the affidavit-in-reply. It is contended that the application for restoration dated 17/09/2010 was received by the Respondents. However, since the record showed non-payment of renewal fee from 3<sup>rd</sup> to 9<sup>th</sup> year in respect of the subject patent, application for restoration could not be entertained. It is submitted that section 78 of the Act could not be made applicable in the present case. It is then submitted that payment towards 10th year annuity was made at the Patent Office at Calcutta on 04/03/2008 but the said payment was irregular as it was submitted in the wrong jurisdiction in violation of Rule 4.

**REASONING:**

18. Respondents have raised a preliminary objection regarding maintainability of this Petition under Article 226 of

the Constitution of India. It is submitted that the Petitioners have an efficacious alternative remedy of approaching the Appellate Tribunal. It is submitted that any order passed under section 60 of the Act is appealable. It is submitted that on this ground alone, Petition may be dismissed.

19. On the other hand, Mr. Virendra Tulzapurkar, the learned Senior Counsel appearing on behalf of the Petitioner submitted that the application, in effect, was for correction of the record. He submitted that the Petitioner, in fact, had paid 3<sup>rd</sup> to 9<sup>th</sup> year annuities in time. However, there was an inadvertent error on the part of its Agents and that its Agents mentioned wrong Patent Number in the letter dated 22/10/2007. He submitted that on the next day on 23/10/2007, this error was sought to be rectified. He submitted that, therefore, there was no question of lapsing of the Patent and that there was an error on the part of the Respondents in not making appropriate correction in their records. Secondly, he submitted that personal hearing was not given to the Petitioner and only the Agents of the Petitioner were heard. No show cause notice was issued to the Petitioner stating therein that the payment not having been made, the Patent was to be treated 'as ceased'. He submitted that, therefore since there was violation of the principles of natural justice, Petitioner was entitled to approach this Court under Article 226 of the Constitution of

India.

20. In our view, submissions made by the learned Senior Counsel appearing on behalf of the Petitioner will have to be accepted. Firstly, though the application which was filed was termed as an application under section 60, in effect, it was for correction in the records of the Respondents for payment of 3<sup>rd</sup> to 9<sup>th</sup> year annuities made on 22/10/2007 and in the said letter Patent No.208225 was wrongly mentioned instead of correct Patent No.207883. On the next day, the said error was sought to be corrected and, there was no communication from the Patent Office to the effect that the said correction could not be made. Had the Patent Office informed the Petitioner accordingly, the Petitioner could have made the payment on or before 24/04/2008. Secondly, it does appear that no notice was given to the Petitioner and its Agents were heard and, therefore, there was breach of principles of natural justice. We are, therefore, of the view that this Petition under Article 226 is maintainable.

21. The question which falls for consideration before this Court is : whether the Patent which was duly granted could be treated 'as ceased'.

22. It will be useful to take into consideration the relevant provisions of the Patents Act, 1970. Section 142 prescribes

time limit within which payment has to be made. Section 142 reads as under:-

**“142. Fees.-** (1) There shall be paid in respect of the grant of patents and applications therefor, and in respect of other matters in relation to the grant of patents under this Act, such fees as may be prescribed by the Central Government.

(2) Where a fee is payable in respect of the doing of an act by the Controller, the Controller shall not do that act until the fee has been paid.

(3) Where a fee is payable in respect of the filing of a document at the patent Office, the fee shall be paid along with the document or within the prescribed time and the document shall be deemed not to have been filed at the office if the fee has not been paid within such time.

(4) Where a principal patent is granted later than two years from the date of the filing of the application, the fees which have become due in the meantime may be paid within a term of three months from the date of the recording of the patent in

the register or within the extended period not later than nine months from the date of recording.”

23. In this case, according to the Petitioner, it has made payment of the annuities in time. It is its case that payment for 3<sup>rd</sup> to 9<sup>th</sup> year annuities was made well within time on 22/10/2011. The error in mentioning the Patent Number was corrected by the letter which was sent by courier on the very next day. Thereafter, payment for 10<sup>th</sup> and 11<sup>th</sup> year annuities was also made in time and it was accepted by the Patent Office and only thereafter when the payment for 12<sup>th</sup> year annuity was sent, the Patent Office informed the Petitioner that the said payment could not be accepted since their record indicated that the Patent had ceased in 2009 itself. It is, therefore, contended that the Petitioner having made the payment in time and the Respondents having failed to rectify the register showing that payment was made for Patent No.207883 and not having informed the Petitioner that the said rectification was not possible, it was not open for the Patent Office to contend that the Patent had ceased.

24. On the other hand, it is contended by the learned Counsel appearing on behalf of the Respondents that the letter seeking correction dated 23/10/2011, in fact, was never received by the Patent Office and the reliance was

placed on the Inward Register. Respondents by both the impugned orders have refused to entertain the applications of the Petitioner on this ground.

25. We have perused the impugned orders passed by the Respondents. In our view, taking into consideration the peculiar facts and circumstances of the case, this is a fit case where direction should be given to the Respondents to restore the Patent with a further direction to the Petitioner to give an indemnity to the Controller of Patents in terms of section 62 of the said Act and state that the Petitioner shall not file any suit or make any claim during the period from which the said Patent was treated 'as ceased' till the order passed by this Court and after a period of three months thereafter. In this context, it would be fruitful to have a look at provisions of section 62 which read as under:-

**“62. Rights of patentees of lapsed patents which have been restored.-** (1) Where a patent is restored, the rights of the patentee shall be subject to such provisions as may be prescribed and to such other provisions as the Controller thinks fit to impose for the protection or compensation of persons who may

have begun to avail themselves of, or have taken definite steps by contract or otherwise to avail themselves of, the patented invention between the date when the patent ceased to have effect and the date of publication of the application for restoration of the patent under this Chapter.

(2) No suit or other proceeding shall be commenced or prosecuted in respect of an infringement of a patent committed between the date on which the patent ceased to have effect and the date of the publication of the application for restoration of the patent.”

26. From the plain reading of the said section, it is clear that if an order of restoration is passed by the Controller then, in that event, section 62 itself provides that the Patentee is precluded from filing any claim against any third party from the time when the Patent was removed from the register till the time it is restored back by virtue of the order passed under section 60. In the present case, according to the Petitioner, it had sent the payment of 3<sup>rd</sup> to 9<sup>th</sup> year annuities on 22/10/2007. However, the Patent Number was wrongly



mentioned as 208225 instead of 207883 and that the Petitioner had corrected this mistake on the very next day i.e. on 23/10/2007. According to the Petitioner, it was under an impression that the said rectification had been made by the Respondents' Office. The case of the Petitioner is that had it been informed that such correction could not be made on account of there being no such arrangement in the software of the Computer of the Respondents, the Petitioner could have very well paid the said annuities since it had an ample time to pay the said amount. According to the Petitioner, it had also paid 10<sup>th</sup> year annuity and 11<sup>th</sup> year annuity which were accepted by the Calcutta Office of the Respondents. However, when the Petitioner tried to pay 12<sup>th</sup> year annuity, at that time the Petitioner was informed by a note which mentions as under:-

“Renewal fee is not accepted by the module even with extn. also. Sent to RMID III for n/a” and “Patent ceased on 21/04/2009 due to non-payment of 11<sup>th</sup> year renewal fee”. S/d.”

27. On the other hand, it is now contended by the Respondents that letter dated 23/10/2007 was never received by them and they have relied on the Inward Register. Taking into consideration these peculiar facts and

circumstances of the case, in our view, benefit of doubt will have to be given to the Petitioner. The Inward Register which has been brought and which we have examined does not conclusively establish that the said letter dated 23/10/2007 was never received by Respondent No.3 because several letters which were sent by the Agents of the Petitioner have been received. This fact reveals that there appears to be some communication gap between the Petitioner's Agents and the Respondents - Controller of Patents Office and, therefore, without recording a finding as to whether, in fact, the letter dated 23/10/2007 was received by the Controller of Patents Office or not, it would be in the interest of justice if the impugned orders dated 03/01/2011 and 09/03/2011 respectively are quashed and set aside and direction is given to the Controller of Patents to restore the Patent of the Petitioner with a rider that the Petitioner shall, in addition to whatever is stated in section 62 of the said Act, give indemnity to Respondent No.3. It is quite well settled that even otherwise a discretion is vested in the Controller under Rules 129 and 137 which read as under:-

**“129. Exercise of discretionary power by the Controller.-** Before exercising any discretionary power under the Act or these rules which is likely to affect an applicant for a patent or a party to a proceeding adversely, the Controller shall give such applicant or

party, a hearing, after giving him or them, ten days notice of such hearing ordinarily.”

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

28. We are afraid that, in this case, instead of exercising the discretion under the said provisions, the Controller of Patents has taken an adversarial stand and has refused to entertain the applications filed by the Petitioner. We are not suggesting that the Controller of Patents was at fault and it was equally the duty of the Agents of the Petitioner to have kept track of the matter to ensure that the annuities are, in fact, paid and to have confirmed that the Controller had taken the steps in view of their letter dated 23/10/2007.

29. Petition is allowed in the aforesaid terms. Rule is made absolute accordingly.

**(M.S. SONAK, J.)**

**(V. M. KANADE, J.)**