(2012) 09 IPAB CK 0004

In the Intellectual Property Appellate Board

Case No : OA/43/2011/PT/CH

Mannesmann Ag Of Mannesmannufer 2 D-40213, Dusseldore, Germany	APPELLANT
Vs	
Controller General Of Patents, Designs & Trade Marks And Ors	RESPONDENT

Date of Decision : 13-09-2012

Acts Referred:
Constitution Of India, 1950 — Article 226
Patents Rules, 2003 — Rule 80, 80(1A), 138
Patents Act, 1970 — Section 21, 53, 53(1), 53(2), 53(3), 53(4), 57(5), 60, 61, 62, 11B(4), 142(iv)

Citation : (2012) 09 IPAB CK 0004

Hon'ble Judges : Prabha Sridevan, J;D.P.S. Parmar, Technical Member

Bench : Division Bench

Final Decision : Dismissed

Judgement

Prabha Sridevan, J

1 . This appeal has been filed against the order dated 9-8-2010 by which the application for restoration of lapsed patent was dismissed. The learned

counsel for the appellant made his oral and written submissions. The appellant was granted a patent for their invention ""A direct current furnace for

generating high silicon foundry pig iron"". This Indian Patent No. 202101 was filed on 1-8-1997 and granted on 7-9-2006. The appellant paid the

accumulated renewal fees for the period from third year to the tenth year on 12-12-2006. The renewal fee for the eleventh year was paid on 1-8-

2007. The renewal fee for the twelfth year was not paid in time and hence the restoration application was filed.

2. The Controller held that the date on which the patent ceased to have effect

was 1-8-2008 and any restoration petition ought to have been filed

within eighteen months from that date which ended on 1-2-2010. The present restoration petition was made on 13-4-2010 on the ground that there is

no provision for extension of time for filing the application for restoration.

3. The learned counsel appearing for the appellant submitted that if the law relating to Patents as if stood before the amendment and after the

amendment is taken into account it will be clear that the appellant's petition ought to have been allowed. He submitted that Section 60 of the Act

provides that an application for restoration of patent must be filed within eighteen months from the date on which the patent ceased to have effect.

The appellant admits that as far as this appeal is concerned, Section 53 of the Act as amended and the amended Rule 80 must be applied. The learned

counsel pointed that by virtue of the amendment, the earlier Section 53(3) has been totally omitted and the new Rule 80(1A) has been introduced and

the patentee is entitled to have the period of payment of renewal fees extended upto a period of six months. This Rule has no pre-condition unlike the

earlier section 53(3) whether the request for extension is required to be filed before expiry of the prescribed period for paying any renewal fee.

According to the learned counsel, if the old law was applied, the patent in question ought to be deemed to have ceased if the renewal fee is not paid

before the eleventh year of the date of patent.

4. According to the learned counsel, the date of cessation of patent would depend on the date of payment of the concerned renewal fee. According to

the appellant, since section 53 has been removed the patentee is at liberty to file the extension petition within six months period even after expiry of the

prescribed date of paying the concerned renewal fee along with the fee for extension depending on the number of months for which extension is

sought for. According to the appellant, the patentee is entitled to the benefit of the amended provision by paying the renewal fee for a particular year

within the total prescribed period as laid down in newly introduced Rule 80(1A) as opposed to the restrictive condition which was there in the earlier

Section 53(3).

5 . The learned counsel relied on the following judgments and in particular the paragraphs extracted:-

(1) AIR 2007 (SC) 1848 - Dharappa Vs. Bijapur Cooperative Milk Producers

Societies Union Ltd. - Where it was held that ""The Legislative intent

should be ascertained by keeping in view the position before the amendment, the nature of remedy provided, and the need therefore. It is also

necessary to keep in view the general principles relating to limitation. Statutes relating to limitation are said to be retrospective in nature in the sense

that that apply to all proceedings brought after they come into force, even for enforcing causes of action which had accrued prior to the date when

such statute came into force. But they are also prospective in the sense that they do not have the effect of reviving a right of action which was

already barred on the date of its coming into operation.

(2) AIR 2008 (SC) 2545 - Machindranath Kernath Kasar Vs. D.S. Mylarappa and Ors. - Where it was held that ""Motor Vehicles Act was enacted to

consolidate and amend the law relating to motor vehicles. When a law is enacted to consolidate and amend the law, the Legislature not only takes into

consideration the law as it has then been existing but also the law which was prevailing prior thereto.

(3) (2008) 9 SCC 622 - Commissioner of Income Tax-I, Ahmedabad Vs. Gold Coin Health Food Pvt. Ltd. W- here it was held that It would be of

some relevance to take note of what this Court said in Virtual's case (supra). Pointing out one of the important tests at para 51 it was observed that

even if the statute does contain a statement to the effect that the amendment is clarificatory or declaratory, that is not the end of the matter. The

Court has to analyse the nature of the amendment to come to a conclusion whether it is in reality a clarificatory or declaratory provision therefore, the

date from which the amendment is made operative does not conclusively decide the question. The Court has to examine the scheme of the statute

prior to the amendment and subsequent to the amendment to determine whether amendment is clarificatory or substantive.

(4) 2011 (46) PTC 122 (Del) - Nippon Steel Corporation Vs. Union of India (UOI) - Where it was held that ""While an applicant can seek to amend

even the priority date of a patent application in terms of Section 57(5) of the Act, such request for amendment can be made only in relation to an

application that exists in law. To recapitulate the facts in the present case, the request for amendment filed by the Petitioner in Form 13 on 22nd

August 2008 was not for amending the priority date. It was only for correcting typographical errors. It was wrongly docked as Form 18 in the

computer of the Petitioner's attorney. As far as the Office of the CoP was concerned, that application would have been treated as one under Form

13. Going by the affidavit of Mr. Tony Mon George, the Petitioner's attorney knew that it had, on 22nd August 2008, only filed an application for

amendment of typographical errors. Even if that application had been allowed, the priority date of the application would have remained as 9th

February 2006. Therefore, the deadline for filing the RFE would have continued to be 9th February 2010. Since, in any event, no RFE was filed before

the expiry of the deadline in terms of Section 11B(4) of the Act, the patent application stood withdrawn after 9th February 2010.

28. This Court is of the view that the decisions in Ferid Allani v. Union of India (UOI) and Telefonaktiebolaget LM Ericsson (Publ) v. Union of India

(UOI) were rendered in a different factual context and do not aid the Petitioner's submissions. The Petitioners there were in correspondence with the

Office of the CoP in relation to the defects pointed out in their respective patent applications and had in fact made requests for oral hearing. In those

circumstances, this Court held that those Petitioners could not be held to have abandoned their claims for the purposes of Section 21 of the Act. As

far as the present case is concerned, the Petitioner missed the deadline of 9th February 2010 for filing an RFE. It realised the error much later and on

28th October, 2010, filed an application for amending the priority date by which time the patent application itself ceased to exist. The decisions of the

Commissioner of Patents and Trademarks, USA in Re Katrapat, AG 6 U.S.P.Q. 2 D (BNA) 1863 and Re Application of Ong, et al (Application No.

11/754, 832) are also of no assistance since the patent law regime in our country is governed by the Act and Rules which in themselves constitute a

complete code.

(5) AIR 1965 (Raj) 229 - Suresh Chandra and Ors. Vs. Birdichand and Ors.

6. We have considered the submissions made by the learned counsel. The application for restoration was filed on 15th April, 2010 and hence it is the

Law as amended that must be applied and this is admitted by the appellant also. Section 53(1) provides that a patent which has not expired and which

has not ceased to have effect, shall be in force for twenty years from the date of filing of the application for patent. Section 53(2) provides that notwithstanding anything in the Act, the patent shall cease to have effect on the expiration of the period prescribed for the payment of any renewal

fee if the renewal fee is not paid ""within the prescribed period or within such extended period as may be prescribed."" Section 53(4) provides that

notwithstanding anything contained in any other Law when the patent right ceases due to non-payment of renewal fee or on expiry of terms of patent

the subject matter covered by the patent will not be entitled to any protection. Therefore, the statutory protection granted by the Act will come to an

end and the patentee shall not be entitled to any protection thereafter.

7. Rule 80 deals with payment of renewal fees under Section 53. Rule 80(1A) reads as follows:-

The period for payment of renewal fees so specified in sub-rule (1) may be extended to such period not being more than six months if the request for

such extension of time is made in Form 4 with the fee specified in the First Schedule.

8 . Therefore, six months' grace period is given to the patentee for payment of renewal fees and this Rule indicates how the request should be made.

Rule 138 deals with the power to extend time prescribed and specifically excludes Rule 80 (1A). Therefore, the power to extend the time for payment

of renewal fees is strictly as per Rule 80 (1A) alone.

9. Section 60 deals with restoration of lapsed patent. It says that when a patent has ceased to have effect for failure to pay renewal fee, within the

period prescribed under Section 53 or allowed under Section 142(iv) the patentee may within eighteen months from the date on which the patent

ceased to have effect make an application for restoration of the patent. If such an application is filed under Section 61 the Controller, if prima-facie

satisfied that the failure to pay the renewal fee was unintentional and there has been no undue delay in making of the application, he shall publish the

application calling upon any person interested to give notice of opposition either or both of the following grounds i.e. failure to pay the renewal fee was

not unintentional and that there has been undue delay in making of the application. Section 62 deals with the rights of lapsed patent which has expired.

10. It is clear from Section 61 that even when the restoration application has been filed within time, the acceptance of the renewal fee is not

automatic. If the Controller is of the opinion that the failure to pay the renewal fee was not unintentional and that there has been undue delay he can

dismiss the application. It is only when he is prima-facie satisfied that the failure was unintentional and there is no undue delay that he publishes the

application and any person interested can give notice of opposition. The opponent may be able to convince the Controller that the failure to pay

renewal fee was not unintentional and that there is undue delay. Then again the restoration application would be dismissed. It is only when the

Controller is prima-facie satisfied and there is no notice of opposition or in the case of opposition if the decision is in favour of the applicant, that the

Controller will restore the patent upon the payment of unpaid renewal fee and such additional fee as may be prescribed. Therefore, it is clear that

even when restoration application is filed within time, restoration is not granted for the asking.

11. In the present case, the renewal fee for the 12th year was due to be paid on 1st August, 2008 and the allowable extended period for payment of

renewal fee expired on 1st February, 2009, in view of Rule 80(1A). The learned counsel for the appellant contented that the patent ought to be

deemed to have ceased only on 1st February, 2009 and the appellant has eighteen month's period from 1st February, 2009 till 1st August, 2010 for

filing the application for restoration of the patent. They had filed the application on 13th April, 2009. Except to state that the renewal fees could not be

paid in time due to oversight the appellant has not given any reason why there was a delay or explain why the non-payment was not unintentional. We

are unable to understand how the appellant believes that the date on which the patent ceases to have effect can be deferred beyond what is stated in

the Act. We have extracted Section 53(2). It is a non obstante clause and therefore will have effect notwithstanding any other provision.

12. It is clear that the patent in question expired on 1st August, 2008. Had they requested for extension of time on Form 4 to pay the renewal fee they

would have got time till 1st February, 2009. They did not do that. The extended time within which the appellant could have paid the renewal fees

expired on 1st February, 2009. If they had paid the fees within that extended period, the patent which otherwise had lapsed on 1st August, 2008 would

have been renewed. The cessation of patent is fixed by the Act, it does not ""float around"" according to the whims of the patentee. Though the patent had ceased, it can be restored if an application filed is within eighteen months from the date on which the patent had ceased to have effect. This

eighteen months came to an end on 1st February, 2010. The appellant had six months to pay the renewal fees and have the patent renewed. It was

not done. The appellant had eighteen months to file the application for restoring the lapsed patent. That too was not done. Therefore the appellant has

no justification to complain.

13. There is no room in the Act or Rules to entertain the restoration application after the expiry of the date within which the application for restoration

should have been filed. When the Act has clearly specified the date on which the patent cases to have effect, no judicial authority can introduce a

legal fiction and hold it as ""deemed"" to have ceased six months later on 1st February, 2009.

14. In 2011 46 PTC 122 (Del.) the Hon'ble Delhi High Cour has held that ""There is a logic to the time limits set out under the Act, and the provisions

of the Act and the Rules have to expressly reflect the legislative extent 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."" When even under Article 226 such a power

cannot be exercised, this authority certainly cannot do so.

15. The other decisions relied upon are to the effect that the legal position before an amendment must be borne in mind. That hardly helps the

appellant. The issue is not whether the petition for extension of time to pay the renewal fees should be filed before the prescribed period; the time is

whether the restoration application was filed within time. So those decisions do not help the appellant. To sum up,

â?¢ The appellant did not pay the renewal fees within the prescribed period viz.

1-8-2008;

â?¢ Patent expired on 1-8-2008;

â?¢ The appellant did not seek extension of time by six months viz. 1-2-2009 to pay the renewal fees;

â?¢ The appellant did not file the restoration application within eighteen months from the date on which the patent ceased to have effect i.e. before 1-

2-2010;

â?¢ Application for restoration and Form 4 for extension of time for filing renewal fee was filed on 13-4-2010;

â?¢ The date on which the patent ceases cannot be changed;

â?¢ No reason or explanation given for non-payment of renewal fees.

There is absolutely no merit in the appeal. Appeal is dismissed.

