
(2020) 08 IPAB CK 0005
In the Intellectual Property Appellate Board
Case No : OA/18/2014/PT/KOL

Rubicon Research Pty Ltd.

APPELLANT

Vs

Controller General Of Patents, Designs And Trademarks And
Ors.

RESPONDENT

Date of Decision : 21-08-2020

Acts Referred:

Indian Patents Act, 1970 — Section 11B(1), 53(2), 60, 61, 62, 78, 142(4)
General Clauses Act, 1897 — Section 21
Patents Act, 1977 — Section 2(d), 2(f), 28(3), 92(1), 92(2)
Code Of Civil Procedure, 1908 — Section 151, Order 39 Rule 39
Trade Marks Act, 1999 — Section 83
Patents Rules, 2003 — Rule 57, 84(3), 129, 137

Citation : (2020) 08 IPAB CK 0005

Hon'ble Judges : Manmohan Singh, J;Dr. Onkar Nath Singh, Technical Membe

Bench : Division Bench

Advocate : Swathi

Final Decision : Allowed

Judgement

Manmohan Singh, J

1. The present appeal has been filed against the Order No. 202639-Decision/RMID 2/2013 (herein after referred to as the "Impugned Order" dated 8th January 2014 issued by Assistant Controller of Patents and Designs, Indian Patent Office, Kolkata (hereinafter referred to as the "Respondent No. 2").

2. The impugned Order was passed in respect of an application filed by the Appellant for obtaining leave of the Controller for filing an application for restoration under Section 60 of the Indian Patents Act, 1970 herein after referred to as "The Act" in respect of lapsed Patent No. 202639 at the Indian Patent Office, Kolkata on 17th February 2012.

The brief facts of the case are as follows:

3. The brief facts are that on 17th February 2003, Indian patent application no. 196/KOLNP/2003, was filed by the former agents on record of the Appellant at the Patent Office, Kolkata. The Application No. 196/KOLNP/2003 was filed as a national phase application for PCT Application No. PCT/AU01/01036 filed on 21st August 2001, claiming priority from Australian Patent Applications Nos. PQ9554 and PR1217, filed on 21st August 2000 and 3rd November 2000 respectively. The agent was instructed to file the application by M/s. Callinan Lawrie (hereinafter referred to as "Australian agents"), the Australian agents of the Appellant.

4. The said Application No. 196/KOLNP/2003 matured into a granted patent bearing Patent No. 202639 (hereinafter referred to as the "subject patent") on 2nd March 2007.

5. On 24th May 2007, a mere week before the due date, the Patent agent sent a letter to the Australian Agents of the Appellant informing them that the Indian Patent Application No. 196/KOLNP/2003 has been granted as Indian Patent No. 202639. The letter mentioned that the 3rd to 7th annuities were required to be paid immediately. The patent Agent sought instructions and the relevant payment from the Appellant to enable the agent to pay the annuities. A Debit Note no. 83010507 towards payment of the 3rd to 7th annuities was also raised and sent along with this letter.

6. The Australian Agents cleared the Debit Note no. 83010507 of former Agent on 3rd September 2007, which was within the extendable period of 9 months from the date of grant of the subject patent for payment of annuities under Section 142(4) of the Act.

7. On or around 2nd June 2007, the subject patent would have lapsed under Section 53(2) of the Act, due to non-payment of accumulated renewal fee from the 3th to 7th year. The Appellant, however, was never informed or provided with any notification regarding the lapse of the subject patent by the Patent Agent. The Appellant was also not informed of the extendible period under Section 142(4) for payment of the arrear renewal fee. As per the case of the appellant.

8. After not having heard from former Patent Agent for a long period of time, the Australian Agents sent a query to Agent on 15th September 2009 as to when the Patent Certificate in respect of the subject patent will be issued. No respond to the said email was received.

9. Thereafter, as a matter of constant follow up and as a matter of due diligence, the Australian Agents sent a number of reminder emails to Agent dated 8th October 2009, 4th December 2009, 3rd February 2010 and 15th July 2010.

10. After remaining silent over the issue for a period of almost two and a half years after lapse of the subject patent, on 23rd July 2010 the former Patent Agent sent a response to the email dated 15th September 2009 of the Australian Agents. The letter indicated that the subject patent had lapsed due to non-payment of annuities. In the said letter it was also stated that former Agent had

filed an application for restoration of the subject patent acting in response to the email of 15th September 2009 of the Australian Agents. The same letter further stated that the application for restoration has been pending with the Patent Office for over a year and has been regularly followed up by the Agent.. It was thus only on 23rd July 2010 that the Appellant was made aware for the first time that the patent had lapsed and that an application for restoration had already been filed.

11. The Australian Agents followed up the issues from time to time and sent an email enquiring as to when the restoration of the subject patent would be allowed. On 14th June 2011, a letter was sent to the Australian Agents stating that the application for restoration of the subject patent has not been accepted by the Indian Patent Office. Furthermore, it was also stated that they had personally discussed the matter with the Controller General of Patents and Designs and upon duly considering the matter, he has declined to allow the application for restoration. It was stated that the Indian Patent No. 202639 had irrevocably lapsed without any possible remedial action..

12. On 21st July 2011, a letter was sent by the former Agent stating that:

No official notification of refusal of restoration has been issued or will be issued by Indian Patent Office as application was not taken on record by the Indian Patent Office.

13. The acceptable deadline to file an application for restoration of the patent in the prescribed format expired on 2nd December 2008. The application filed after this date would be considered as time barred and would not be allowed by the Indian Patent Office.

14. The application for restoration was submitted personally to the Controller of Patents for his due consideration, as deadline for filing a formal request for restoration in the prescribed format along with fees by cash or cheque had expired.

15. The matter was kept pending from September 2009 till June 2011 by the Indian Patent Office during which period they were unsure of the outcome.

16. The request for restoration was finally refused by the Indian Patent Office due to digitization of official records, non-activation of the Depository Account of former Agent and limitation of the powers of the Controller of Patents.

17. Subsequently the Appellant through M/s. Obhan & Associates engaged Mr. Sanjay Saraogi of Kolkata in order to conduct a file inspection and obtain all the documents in relation to the subject patent so as to ascertain that the requisite steps have been taken by the former Agent for restoration of patent.

18. On 12th October 2011, the Appellant filed an application under the Right to Information Act (RTI Act) seeking the following information from the Indian Patent Office, Kolkata:

19. If any request pertaining to the restoration of the Patent No. 202639 has been filed at the Indian Patent Office. If yes, please provide us with a copy of the same.

20. In the event that a request for restoration of the Patent No. 202639 has been filed please provide us with a copy of the decision of the Controller in respect of the same.

21. Please provide a copy of any other request filed in respect of the restoration of the Patent No. 202639.

22. On 9th December 2011, the Appellant received a reply to its RTI application, wherein it was stated that as per the records available at the Indian Patent Office, No. application towards restoration of patent has been found recorded as of 1st December 2011.

23. On 17th February 2012, the Appellant filed an application for restoration under Section 60 of the Act in respect of the said patent along with a petition under rule 137 of the Patent Rules, for condonation of irregularity in not submitting an Application for the Restoration of Patent (Form 15) and for non-payment of renewal fees at the Indian Patent Office, Kolkata (Respondent).

24. The Appellant sent follow-up letters to the Indian Patent Office on 3rd April 2012, 21st May 2012 and 17th September 2012 inquiring about the status of their application dated 17th February 2012.

25. On 8th November 2012, the Appellant filed an application under the Right to Information Act (RTI Act) seeking the following information from the Indian Patent Office, Kolkata:

26. Please let us know whether the restoration application dated 17th February 2012 filed by us for restoration of the Patent No. 202639 (196/KOLNP/2003) has been taken on record by the Indian Patent Office and what is the serial number allotted to the application, if any.

27. If the answer to Q.1 is yes, whether a decision pertaining to the restoration of the Patent No. 202639 (196/KOLNP/2003) has been issued by the Indian Patent Office, in respect of the aforesaid application of restoration.

If the answer to Q.2 is no:

what is the status of the restoration application dated 17th February 2012 filed for the restoration of the Patent No. 202639 (196/KOLNP/2003)?

what is the expected timeframe for issuance of the decision?

28. On 5th November 2012, the Indian Patent Office, Kolkata (Respondent) vide Order No. 202639-R informed the Appellant through M/s. Obhan & Associates that their application for restoration and petition under rule 137 had been found not to be sustainable under the Act and therefore their application for restoration could not be considered. Said Order dated 5th November was received at the

office of M/s. Obhan & Associates on 12th November 2012.

29. On 27th November 2012, Indian Patent Office, Kolkata (Respondent) vide letter No. 202639 cancelled the Order dated 5th November 2012 and issued a revised order. A copy of the letter dated 27th November 2012 and the revised order dated 5th November 2012 are annexed hereto and marked as ANNEXURE-A35. Vide the revised order dated 5th November 2012, the Appellant, were informed that their application for restoration under Section 60 along with the submissions in Petition under rule 137 had been considered, but were not found to be sustainable under the Patent Law in force and accordingly, their application for restoration could not be considered. The Appellant was invited to submit their observations to the revised order dated 5th November 2012, within a month from the receipt of the letter.

30. On 11th December 2012, the Appellant submitted their observations to the revised order dated 27th November 2012.

31. The Indian Patent Office, Kolkata, fixed a hearing in the matter on 7th February 2013. The hearing was attended by M/s. Obhan & Associates, on behalf of the Appellant. On 25th February 2013 written arguments on behalf of the Appellant were submitted at the Indian Patent Office, Kolkata.

32. On 2nd July 2013 the Appellant via M/s. Obhan & Associates send a legal notice to the former Agent in respect of their lapse in payment of renewal fee in respect of the subject patent.

33. On 27th November 2013, the former Agent sent a letter to the Australian Agents, enclosing a Bank Draft No. 024832 dated 27th November 2013 for USD 500. Said Bank Draft was a refund of the amount paid by the Australian Agents in respect of debit note No. 83010507 as payment of renewal fee on 3rd September 2007.

34. On 8th January 2014, Respondent No. 2 passed the impugned order refusing the application for restoration. The Appellants Agents, M/s. Obhan & Associates received said impugned order on 15th January 2014. By the impugned order, the Respondent, recorded that the leave to file an application for restoration under Section 60 of the Act in respect of Patent No. 202639 could not be granted. It was further recorded by the Respondent No. 2 that the provisions under Section 61 and 62 of the Act would have only been considered if the application for restoration of the patent under Section 60 would have been filed within the prescribed time-period mentioned in the Act.

Case of the appellant

35. The case of the appellant is that in the impugned order the Respondent No. 2 has not followed the procedure laid down under Section 61 of the Act in considering the Appellants application to obtain leave of Controller to file an application for restoration. Under Section 61 of the Act the Controller is required to consider the following two factors while granting leave to file an application for

restoration:

that the failure to pay the renewal fee was unintentional.

that there has been no undue delay in making the application.

36. The Responded has however not considered these factors while considering the Appellants application to obtain leave of the Controller to file an application for restoration.

37. It is also the case of the appellant that from all the documents placed on record by the Appellant that the Appellant's intention was always to maintain the subject patent. The Appellant also was never informed of any timelines for payment of arrear renewal fees, extendible period for payment of arrear renewal fees, or period for filing an application for restoration. Thus the failure to pay the renewal fee was unintentional and beyond the control of the Appellant.

That the certificate was received by the Appellant only on 1st October 2010 almost 3 years after the patent was granted. Therefore the Appellant did have any knowledge of the applicable time line for payment of annuities till 1st October 2010.

38. The subject patent lapsed on account of former Assistant having failed to perform their duties towards the Appellant by not informing the Appellant about any deadlines for payment of annuities or restoration, when the Appellant in good faith were believing that the subject patent is in safe hands of its Indian Agents on Record.

39. That there has been no undue delay in making the application for restoration of patent at the Indian Patent Office as the Appellant only received information from the Patent office that no previous application for restoration had been filed by former Assistant on 9th December 2011.

The appellant has filed all the relevant documents correspondent exchange between the appellant, its Australian agent and former Patent Agent in order to show the bonafide by the appellant.

It appears from the said documents that the situation which was occurred beyond the control of the appellant and its local patent Agent.

It is also appeared from the same that either former Agent had not filed the request of annuities and restoration or if filed, it may not be traceable.

One is failed to understand, if the Former Agent who had got the patent registration why he will not file the formal application and its restoration. It might also be possible he had forgotten the same or filed but record is not traceable.

The Respondent No. 2 is not correct in holding that the provisions under Section 61 of the Act would have only been considered if the application for restoration of the patent under Section 60 would have been filed within the prescribed time-

period mentioned in the Act. Under the similar situation, the writ-petition are allowed by the various High Court due to bona fide of the appellant who was involved in delay which was beyond their control.

39.1. The impugned order states in paragraph 15 that "Rule 137 may be acted upon where no special provision is laid down in the Patents Act and hence cannot be taken into account towards deciding the matter in respect of application for restoration". The impugned order further states that "In case of non compliance of section 142(4) and section 60 of the Act, the petition under Rule 137 is not considerable"

39.2. Rule 137 of the Indian Patent Rules 2003 (hereinafter referred to as "the Rules") provides the Ld. Controller with powers to condone any irregularity in procedure which in the opinion of the Controller may be obviated without detriment to the interest of any person. Rule 137 states:

"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."

It is clear from a plain reading of the above provision that Respondents have misinterpreted the scope of Rule 137 and has clearly failed to appreciate that Rule 137 empowers the Controller to condone any irregularity and is not limited to circumstances where no special provision is laid down in the Patents Act.

39.3. The appellant further submits that the principles of 'natural justice' are embodied in Rule 137 that was enacted to prevent an innocent party from a legal injury. The Appellant relies on a decision of the Madras High Court in NTT DoCoMo Inc. V The Assistant Controller of Patents and Designs the Patent Office & Ors. (Para 8, pg 1-8), it which it has been held,

12. That apart, the power given under Rule 137 of the Patent Rules, 2003 also makes the issue conspicuous that any document, for the amendment of which no special provision has been made in the Act may be amended by specifically stating that any irregularity in procedure which, in the opinion of the Controller, may be obviated without detriment to the interests of any person. Therefore, when Rule 137 is far more clear than Section 78, giving more power to the Controller of patent to carry out any amendment by plainly telling the Controller of patent to obviate any irregularity in procedure without detriment to the interests of any person, the general power given under Rule 137 in favour of the Controller of patent is almost similar and identical to the power given under Section 21 of the General Clauses Act, which indicates that the power includes the power exercisable in the like manner and subject to the like sanction and conditions (if any), to add to, amend, vary or rescind any orders or rules, in the sense, power to do a particular thing vis-à-vis the power to undo the same.

13. In view of the above, the argument placed before this Court by the learned counsel for the respondents denying that the Controller has no power either under Section 78 or under Rule 137 to correct any bona fide mistake committed without any intention is liable to be rejected, inasmuch as accepting his argument would amount to taking away the power given under Section 78 and Rule 137 which would belittle the purpose and object of the Act and Rules. In this context, the reliance placed on the Hon'ble Delhi High Court order in W.P. (C) No. 801 of 2011 dated 8.2.2011 (Nippon Steel Corporation v. Union of India), is patently inapplicable to the present case, for two reasons. Firstly, in the said case, an amendment was sought to disregard the Japanese priority date of 9th February, 2006 and to change the application with an idea to extend the deadline for filing the Request for Examination (RFE) from 9th February, 2007, since the RFE has to be made in terms of Section 11-B(1) of the Act within a period of 48 months from the date of priority of the application or the date of filing the application, whichever is earlier, on the ground that a docketing error occurred in the office of the attorney of the petitioner therein. The said request was rejected on the ground that the request was hit by limitation. Secondly, once the amendment was allowed, it would relate back to the date of the application for the grant of patent and it was also found that the request for amending the priority date was with a view to indirectly get the time for RFE extended. But in the present case, the only ground mentioned in the application for rectifying the clerical error was due to the bona fide and inadvertent mistake committed by the petitioner's erstwhile attorneys in interchanging the patent application numbers, as mentioned already. While the petitioner company wanted to withdraw the out dated and obsolete technology viz. the decrease pattern of transmission rate decreased in response to RG (DOWN), due to the clerical error committed by the petitioner's erstwhile attorneys, the increase pattern of transmission rate increased in response to RG (UP) had been wrongly withdrawn, as a result, the petitioner company, who is an innocent party, should not suffer injustice in view of the mistake, error and misdemeanour committed by its erstwhile patent attorneys. Therefore, this Court, finding that the facts on that case and the purpose for which the application was moved in Nippon Steel Corporation case are totally different from the present case, is unable to accept its applicability."

39.4. The Appellant further relies on a judgment of the Division Bench of the Bombay High Court in Teijin Limited 6-7 Minamihommach V. Union of India & Ors, (para 25-27, 9-15), in which it has been held that,

"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 3rd to 9th 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 10th year annuity and 11th year annuity which were accepted by the Calcutta Office of the Respondents. However, when the Petitioner tried to pay 12th 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 11th 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."

39.5. In *Hindustan Unilever Limited v. The Controller of Patents and Designs and Ors.* (04.04.2014-IPAB) it was held that;

20. The material is produced before this Bench reveals that the notice of opposition was duly served along with the written statement and evidence to the petitioner/3rd respondent herein. It is not the case of the petitioner/3rd respondent that they have been served only notice of opposition without written statement and evidence. The petitioner/3rd respondent has not expressed any grievance that they have not been duly served with the notice of opposition along with written statement and evidence. The fact remains that the Controller have sent the notice of opposition as contemplated u/s. 25(3)(a) of the Act as per the order dated 21.04.2006 after condoning the procedural irregularity of procedure under Rule 57 as per provision under Rule 137 and the Controller sought for the reply statement and evidence if any from the patentee within two months from the date of despatch of the notice. Therefore we have no hesitation to hold that there is no violation of Rule 57 and the procedural irregularity have been cured as per the order dated 21.04.2006 passed by the Controller by allowing the petition under Rule 137.

21. The next question falls for our consideration is whether the Controller exercises his power under Rule 137 in violation of the principles of natural justice.

22. As we have already pointed out that the Controller by exercising his power under Rule 137 has condoned the procedural irregularity on the basis of the petition filed by the appellant. The reading of the provision under Rule 137 has incorporated earlier in this order makes it crystal clear that the Controller is vested with the power to eliminate any procedural irregularity and accordingly he has obviated the procedural irregularity of the procedure contemplated under Rule 57 as per order dated 21.04.2006. The provision under Rule 137 empowers the Controller to exercise such power without detrimental to the interest of any person.

39.6. The Appellant submits that mistake of counsel has been considered as sufficient cause to condone delays and irregularities and that the Appellant should not be made to suffer for a fault of his counsel unless there has also been some negligence by the Appellant. Appellant relies on the Judgment of *Gloria Chemicals v. R.K. Cables and Ors.*, AIR 1988 Delhi 213, wherein it was held that where there has been no negligence or inaction or want of bona fide in the part of the party in such cases the mistake of the counsel can be taken into account in condoning delay. The said judgment states that,

(15) Law is now well settled that words 'sufficient cause' should receive liberal construction, so as to advance substantial justice, when no negligence or inaction or want of bonafide is imputable to a party (See State of 'West Bengal v. Administrator, Howrah Municipality, [1972]2SCR8 74a).

(16).

(17) In the case of J.E. Billimoria and Sons (supra), the defendant had been present at every hearing uptill November 1, 1935. He and his counsel were both absent when case was called. The Court proceeded ex-parte and, after examining the plaintiff and his two witnesses, passed an ex-parte decree, A few minutes later, the defendant's counsel appeared, and conducted the very next case before the same Court, but was told that judgment had already been delivered ex-parte. Defendant applied to have the order set aside. The trial court rejected the application on the ground that no sufficient cause had been shown to set aside the order. The defendant applied for revision. The High Court found that defendant was not to be blamed, he had engaged a counsel and paid his fee, he did all that he could to participate in the proceedings. Even the counsel was found to be not negligent. It was observed that even when counsel was negligent, it is neither possible nor desirable to make any hard and fast rule, but speaking generally, a party ought not to be penalised unless there is a remissness on his part. While considering the nature of requirement of a party to appear, it was said that he employed counsel for this purpose, he must ensure that the person he employs appears when the case is called or there is somebody else to represent him, which means that he must pay counsel adequately or appoint another who is there to help him. If he does that, then, he has done all that the law can reasonably expect of him. If inspire of that, counsel does not appear, Vivian Bose J. observed:

"I hardly think litigant can be held responsible. After all he is not allowed to employ anybody he chooses. He is forced to confine himself to a special class of persons whom the Courts and the State hold out to the general public as specially honest, competent, reliable and responsible, and who for that reason have been given an exclusive monopoly to practices in Courts of justice. If the person so selected behaves in an irresponsible manner, the remedy is for those responsible for placing him in this privileged position to punish him and, to ensure as far as may be that the public at 'large are not left to the mercy of his irresponsibility or incompetency a second time. It is manifestly unjust in these circumstances to blame the litigant."

(18) This observation of Vivian Bose J. has to be considered in the context of the Courts exercising control over conduct of advocates those days. It is not so now. Control over conduct of advocates now vests in another authority. It cannot be said now that the Courts "hold out" to the general public that advocates are specially honest, competent, reliable or responsible, though the courts still like to have that faith in advocates inspire of having no control over their conduct.

(19) In *Shyam Lal Dhar v. Ply Board Industries* (supra), a Full Bench of Jammu and Kashmir High Court considered the question whether the defendant could be held responsible for negligence of the counsel. The Full Bench agreed with the observations of Vivian Bose J. in *J.E. Billimoria* (supra) and also relied upon the observations of the Supreme Court in the case of *State of West Bengal* (supra) where it was observed that the words "sufficient cause" should receive a liberal construction so as to advance substantial justice or when no negligence or inaction or want of bonafides is imputable to the parties. The Full Bench came to a conclusion that it is difficult to lay down any inflexible rule and that each case must be decided on its own facts but generally speaking, a litigant would not be responsible for negligence of his Counsel unless there is any remissness on the part of the litigant itself.

(20) In *Baldev Singh v. State of Punjab* (supra) it was found that the claimants had engaged a counsel who failed to appear on the date fixed, and also failed to inform the parties about the dismissal of the case. It was held that for this 'mistake' of counsel, the client cannot be penalised for the delay in making application for restoration of the reference which was dismissed in default.

(21) ..

(22) In the case of *Rafiq v. Munishi Lal*, [1981]3SCR509, the High Court disposed off Rafiq's appeal in the absence of his counsel. When the appellant became aware of it, he moved an application to recall the order dismissing his appeal and to permit him to participate in the hearing of the appeal. This application was rejected on the ground that though the application was prepared and drafted and an affidavit was sworn on Oct. 29, 1980, the same was not presented to the court till November 12, 1980, and that there was no satisfactory Explanation for this slackness on the part of the advocate who was to file the application. D.A. Desai J. noticed that under our present adversary legal system where the parties generally appear through their advocates, the obligation of the parties is to select his advocate, brief him, pay fees demanded by him, and then trust the advocate to do the rest of the things. The party may be a villager, or may belong to a rural area, and may have no knowledge of the court's procedure. After engaging a lawyer, the party may remain supremely confident with the lawyer who is looking after his interest,: It was observed that Court cannot be a party to an innocent party suffering injustice merely because his chosen advocate defaulted. The appeal was allowed and order of the High Court was set aside.

(23) In *Mala Din v. A. Narayanan*, [1970] 2 SCR 90, the Supreme Court observed as follows in para 6 at page 1954:

"THE law is settled that mistake of counsel made in certain circumstances be taken into account in condoning delay although there is not general proposition that mistake of counsel by itself is always a sufficient ground. It is always a question whether the mistake was bonafide or was merely a device to cover an ulterior purpose such as laches on the part of the litigant to save limitation in an

underhand deal."

39.7. The Appellant also relies on the Judgment of Frazer's Patent [R.P.C. (1981) 98 (4): 53-56.], facts of which are similar to those in the present application. In this decision it was held that for the section of restoration, the ordinary rule that a principal stands in the shoes of this agent does not apply. The said judgment states that,

"In this appeal Mr. Frazer seeks to have his lapsed letters patent No. 1,494,831 restored. In my judgment those letters patent ought to be restored. That depends upon the Comptroller or, upon appeal, the judge before whom the appeal comes being satisfied that the proprietor of the patent took reasonable care to see that any renewal fee was paid in the prescribed period and that those fees were not so paid because of circumstances beyond his control.

. Did Mr. Frazer set up a reasonable system to see that his patent renewal fees were paid. In substance it was found by the Comptroller both on the affidavit evidence of Stephen Hall Rathbone Wilde and all the evidence which was given in the court below, and is conceded by Mr. Jacob, that Mr. Frazer entrusted the whole care of his patent to his solicitors; they had the letters patent documents; they got the letters patent through the Office in the application stage; it was their name that was on the register as the proper address for service of all official communications to be made in connection with the patent. That was the system set up by Mr. Frazer. It was simple in the extreme and he entrusted the matter to solicitors. Of course a solicitor is an officer of the Supreme Court.

Of course whenever an application for restoration is made it means that the system set up by the patentee has broken down and it broke down here. The solicitor simply failed to hand over a letter. Mr. Jacob suggests that before you entrust patent matters to an agent it is your duty to check up and see to what extent that agent is competent in the field of patents. Plainly enough if you have positive knowledge that the agent is incompetent, if his past failures have alerted you to the fact that he is lacking incompetence or if you have other sure information that he is lacking in competence, then it is unreasonable to entrust your affairs to him... In all the circumstances I have no doubt that it was reasonable for a patentee in Mr. Frazer's position--not Mr. Frazer but a reasonable lone patentee in Mr. Frazer's position--to entrust the renewal of his patent to a solicitor. It is to be noted that the failure which ultimately caused the renewal fee not to be paid was not a failure to exhibit some esoteric or specialist skill, it was a failure to hand over a letter--a matter which ought to be within the competence of any solicitor whether he is a country solicitor or one practising nearer the heart of London.

I am satisfied that the Assistant Comptroller went wrong in law. For the purposes of these proceedings in my judgment it is not right to equate principal and agent. In cases of this kind there is a dissimilarity to the situation where a solicitor fails, for example, to pay the renewal on an insurance policy as a result of which there

is no insurance when his client's house is burnt down. Of course the insurance company are not going to pay in those circumstances. However, there is no statutory provision that they must be made to restore the insurance policy when and if the client can establish, that he set up a satisfactory and reasonable system for ensuring that the premium was paid.

For the purposes of section 28(3) of the Patents Act 1977 in my judgment the ordinary rule that a principal stands in the shoes of his agent does not apply. The agent is the system that he sets up and however many agents he sets up they are all part of the system. The only question is whether those agents constitute a reasonable system. I am satisfied that in this case the solicitor did. It is an unusual case, as Mr. Jacob rightly concedes; but in the circumstances of this particular case, I am satisfied that for a patentee of Mr. Frazer's type, in the situation in which Mr. Frazer was, this solicitor in those circumstances did constitute a reasonable system. It having broken down, in my judgment, the Assistant Comptroller should be satisfied that nevertheless the proprietor of the patent took reasonable care and the fees were not paid because of circumstances beyond his control."

39.8. The Appellant submits that the only person who has suffered is the patentee who has lost his patent rights for no fault of his. The Appellant further submits that the procedure of restoration under the Act and the Rules ensure that there is no detriment caused to any third party by restoration. Under Rule 84(3) of the Rules, the application for restoration is published, thereby providing a person interested an opportunity to oppose the application. Additionally, restoration is subject to section 62 of the Act that also includes safeguards to address the issue of "detriment of any person".

39.9. The Appellant submits that this Hon'ble Board has the inherent power to do justice under section 151 as a civil court. The Appellant relies on M/s. Shreedhar Milk Foods Pvt. Ltd. v. Mr. Vikas Tyagi & Anr. (08.07.2013-IPAB): in this regard where it was held that,

28. The Tribunal has no jurisdiction to grant interim order of stay, since Section 83 of the Trade Marks Act, 1999 declares that the Appellate Board shall exercise the jurisdiction, power and the authority conferred on it by or under the Act. The jurisdiction of the Board while sitting an Appellate Authority and while exercising the power of original authority is totally distinct. The IPAB rules distinguished the words "Appeal" and "Application" as seen from Section 2(d) and 2(f) of the Act. The powers of the Appellate Board are split out under Section 92(1) and 92(2) and it was implicit that this had been provided for inherent power or powers of injunction under Section 151 and Order 39 of C.P.C. respectively. The words and phrases "in any proceedings relating to an appeal" indicates specifically that the Appellate Board was authorized only to grant injunction or stay in appeals and not in applications, otherwise the words relating to an appeal are unnecessary.

29. At the outset, we must understand the nature of IPAB in spectrum of justice

delivery system. In *Union of India Vs. R. Gandhi*, President, Madras Bar Association (2010) 11 SCC 1) Civil Appeal No. 3067 of 2004, the Hon'ble Supreme Court dealt with in detail the history of the tribunals, the independence of tribunal. The Judgment explained that judicial independence and separation of judicial power from the executive are implicit in our Constitution and crucial. They held that all Courts are tribunals and any tribunal to which the existing jurisdiction of courts is transferred should also be "a judicial tribunal."

30. We respectfully repeat and stress what the Hon'ble Supreme Court has stated that the IPAB is a Judicial Tribunal. What applies to quasi judicial tribunals or Executive Tribunals may not apply to the IPAB. This has to be borne in mind with regard to all the questions that arise under Chapter XI of the Trade Marks Act or for that matter Chapter XIX of the Patents Act. IPAB is introduced to be a substitute for the High Court not only de jure and in form but de facto and in content (vide *S.P. Sampathkumar Vs. Union of India & others* 1987 SCC 124). The IPAB deals with a jurisdiction which has global implications. The subject matter of the disputes must be decided with at least two International Agreements in mind, the TRIPS and the Doha Declaration. It was born only to speed up the hearing of the disputes which was earlier done by the High Court. As far as these disputes, IPAB must be held to have all the powers of the High Court subject to the limitation that IPAB does not have the constitutional powers of the High Court and its orders are amenable to judicial review by the High Courts. But in so far as the dispute resolving power and procedure it is a substitute for the High court."

39.10. The Appellant will suffer grave prejudice if the present appeal is not allowed, as the patent has only one year of life left, and the ability of the Appellant to take action against third party infringers has already been curtailed. If the patent is restored, the patentee will be able to enjoy at least some of the fruits of its statutory right by becoming able to take action against infringement of its patent. The Appellant has been wrongly deprived of its rights, without any fault on its part. No harm will be caused to any third party if the patent is restored, and the restoration will be advertised in the Journal. The Appellant respectfully submits that the subject patent be restored and the Appellant be allowed to pay the accumulated renewal fees at the earliest.

40. That the Respondent No. 2 while considering the application for obtaining leave to file the application for restoration in respect of Patent No. 202639 ought to have followed the procedure laid under Section 61 of the Act. The Respondent No. 2 ought to have taken into consideration all the facts and circumstances that led to the failure in payment of the renewal fee and lapse of the patent. However, strictly by the Rules, the issue in hand was decided without considering and following the principles of natural justice and settled law.

41. The Responded No. 2 was not correct in holding that in the present matter the communication made to the agent is equivalent to the communication made to the Appellant. The Respondent No. 2 ought to have taken into consideration

that the Appellant did not receive the Patent document till 1st October 2010 which was almost 3 years after the due date for submitting the renewal fee, while holding that the communication made to the agent is equivalent to the communication made to the appellant. The same is not established as per evidence available on record. Rather its states that the appellant and its local Patent Agent were not aware about the situation and as and when they came to know prompt action was taken.

42. The Respondent No. 2 was not correct in holding that there is no provision in Act and Rules to condone or extend the time limit for filing an application for restoration. The Respondent No. 2 also erred in holding that the Controller has no discretion in allowing a delay in filing an application for restoration of a lapsed patent. That under Section 60 of the Act, the Controller may allow an application for restoration of lapsed patent filed even after eighteen months from the date on which the patent ceased to have effect. In many cases such order of restoration have been passed by the courts. In the present case, the Respondent No. 2 ought to have considered the application for obtaining leave to file an application for restoration under Section 60 keeping in mind the parameters of law and by observing principles of natural justice. It is settled law that party who has a bona fide conduct showed not suffer due to mistake committed by his advocate/attorney.

43. In the present case the impugned order dated 8th January 2014 is unreasonable as no one understands why appellant would not application annuities and its restoration if the appellant is very much interested in the protection of invention. Because the impugned order is sustained the appellant would suffer loss, injury. The impugned order dated 8th January 2014 passed by the Respondent No. 2 be set aside.

44. Considering the overall facts and circumstances, we are of the opinion that the impugned order dated 8th January, 2014 passed by the respondent No. 2 is liable to be set-aside by allowing the appeal.

45. The application filed by the Appellant for obtaining leave to file an application for restoration in respect of Indian Patent No. 202639 is allowed. taking into account all parameters of law and by observing principles of natural justice and is disposed off in accordance with the procedure laid down under Section 61. The Indian Patent No. 202639 be restored and the Appellant be allowed to pay the accumulated renewal fees within four weeks from today.

46. No costs.