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

Reserved on: August 13, 2024

% ***Pronounced on: August 29, 2024***

\+ **C.A.(COMM.IPD-PAT) 323/2022**

NIPPON STEEL CORPORATION ..... Appellant

Through: Mr. Vineet Rohilla, Mr. Rohit Rangi, Mr.Debashish Banerjee and Mr. Tanveer Malhotra, Advocates

Versus

THE CONTROLLER GENERAL OF PATENTS, DESIGNS & TRADEMARKS & ANR. ..... Respondents

Through: Ms. Nidhi Raman, CGSC with Mr. Zubin Singh, Ms.Rashi Kapoor and Mr. Akash Mishra, Advocates.

CORAM:
HON'BLE MR. JUSTICE SAURABH BANERJEE

J U D G M E N T

GENESIS OF DISPUTE INVOLVED:

1. The appellant filed Indian Patent Application No.8620/DELNP/2012 entitled "METHOD FOR REPAIRING INSIDE OF GAS FLUE OR COKE OVEN AND DEVICE FOR REPAIRING INSIDE OF GAS FLUE" [hereinafter referred as "*subject application*"] involving a method for repairing an inside of a gas flue of a coke oven and a device for repairing an inside of a gas flue. The subject application details a method for repairing the inside of a gas flue of a coke oven, which provides easy work when a damaged portion, such as cracks and fractures of brick in a gas flue, is repaired and is capable of causing the

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mortar to penetrate into the back of the damaged portion, and a device for repairing an inside of a gas flue.

2. The aforesaid subject application was refused by the Assistant Controller of Patents and Designs [hereinafter referred as "*Controller*"] under Section 15 of the Patent Act, 1970 [hereinafter referred as "*Act*"] by the impugned order dated March 16, 2020.

PROCEEDINGS BEFORE THE PATENT OFFICE:

3. The appellant filed the subject application as a national phase entry of the PCT application on October 04, 2012. The First Examination Report [hereinafter referred as "*FER*"] issued on May 02, 2018, *inter alia*, only held that the claims lacked novelty and inventive step under *Section 2(1)(j)* of the Act and unity under *Section 10* of the Act.

4. The appellant first filed a response to the said FER on October 24, 2018 and then filed amended Claims 1 to 3. The Controller then followed it up by a Hearing Notice dated November 13, 2019 raising additional objection under *Section* 3 of the Act as under:

> "*Invention u/s 2(1)(j)*
> *1. Document D1: JP 3912861 discloses a method for repairing the inside of a longitudinal duct of a coke oven, which involves repairing the damaged part of the duct and comprises: a step for inserting and disposing an overflow pipe in such a manner that a predetermined gap is kept between the pipe and the inner peripheral surface of the longitudinal duct and that the upper end of the pipe is located within the longitudinal duct; a step for sealing the gap between the lower end of the longitudinal duct and the lower part of the overflow pipe; a step for forcing mortar into the gap from bottom to top in the vertical*
> *direction; and a step for recovering the mortar having flowed over the upper end of the overflow pipe and entered into the overflow pipe device for repairing the inside of a longitudinal duct of a coke oven, which repairs the damaged part of the duct and is provided with: an overflow pipe which is arranged in such a manner that a predetermined gap is kept between the pipe and the inner peripheral*

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> *surface of the longitudinal duct and that the upper end of the pipe is located within the longitudinal duct; an injection box which seals the gap between the lower part of the overflow pipe and the lower end of the longitudinal duct; a forcing section which penetrates the injection box and communicates with the gap; a mortar supplying section which forces mortar into the gap via the forcing section; and a recovering section which is provided on the lower part of the overflow pipe and recovers residual mortar having flowed over the upper end of the overflow pipe. The injection box of the invention described in document 1 is considered to cover the overflow pipe with a predetermined space from the periphery thereof and have a ring-shaped plate material which closes the gap between the inner peripheral surface of the lower end of the injection box and the outer peripheral surface of the overflow pipe. In addition, the injection box is so configured as to be hermetically adhered and fixed by a flange; however, a person skilled in the art could easily employ, as an alternative to the one mentioned above, a*
> *configuration in which the injection box has the outer diameter equal to the inner diameter of the longitudinal duct and is provided with a mounting section mounted at the lower end of a longitudinal duct, and such replacement of configurations is within the scope of a design matter that a person skilled in the art could employ without a particular difficulty.*
> *Non-Patentability u/s 3*
> *1. Claims teaches application or use of device as claimed in Claim 2. Application claim/ used claim of any device falls within scope of section 3 of Patent Act "what are not invention"."*

5. The appellant responded thereto by supplementing it with post-hearing written submissions, especially responding to the objection(s) of the inventive step under *Section 2(1)(j)* and *Section 3* of the Act. However, the appellant was not granted the patent as it was denied in terms of *Section 15* of the Act by the Controller, and then also under *Section 3(d)* of the Act without specifying it in the Hearing Notice. The relevant extracts of the said order dated March 16, 2020 [hereinafter referred as "*impugned order*"] passed by the Controller are as under:

> *"Applicant submission regarding the method for repairing an inside of a gas flue is not sufficient. If any device was made for any repairing work then repairing of that work with that device is a part of Manual*

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of operation of that device that means how to use the device. So no contribution lies in method when it is standard by operation of that device. In my opinion if device for repairing an inside of gas flue is manufactured then method of operation for repairing is fixed as manual by manufacturing industry and any body can repair that inside of gas flue by using that device and Manual of use for repairing. New use of known substance /device fall under section 3(d) of The Patent Act disclosing "what are not inventions". The applicant fails to meet the objections communicated in the hearing notice and also fails to meet the requirements of The Patents Act within the prescribed period after giving an opportunity of being heard under Section 14 of The Patents Act. Therefore, I hereby refuse the application no 8620/DELNP/2012 to proceed further for grant of patent under the provisions of Section 15 of The Patents Act, 1970 (as amended)."

CONTENTIONS OF APPELLANT / PATENTEE:

6. Learned counsel for the appellant, Mr. Rohan Rohtagi, seeking to set aside the impugned order and grant of a patent on the subject application no. 8620/DELNP/2012 has argued as follows:

I. The Controller has refused the subject application under *Section 3(d)* of the Act without raising any explicit objection qua it in the Hearing Notice and the Hearing Notice which merely mentions about a general objection qua '*Section* 3' of the Act. Moreover, no such objection qua *Section 3(d)* of the Act was ever taken and/ or communicated to the appellant. Therefore, there is a clear violation of the principles of natural justice as the appellant was not accorded a fair opportunity to represent its case.

II. The above is also violative of the Circular No.4 of 2011, dated September 21, 2011 published by the Controller General of Patents, Designs and Trade Marks, which clearly states as under:

"k. If upon Examination of the response submitted by the Applicant, the Examiner reports that some objections are still outstanding or raises further objection(s), such objections shall be communicated alone with the notice of hearing, giving reasonable time to the

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Applicant."

III. For the aforesaid proposition, reliance is placed upon ***D.S. Biopharma Limited vs. The Controller of Patents and Designs and Anr.*** (C.A. (COMM.IPD-PAT) 6/2021) dated August 30, 2022, wherein this Court has held that the appellant was not given sufficient opportunity to deal with the objection under *Section 3(d)* of the Act, apart from merely specifying the said objection for the first time in the hearing notice.

IV. The impugned order is cryptic and passed without justification or reasoning as it has been wrongly held that if a device for repairing is being manufactured, then the method of operation is part of the Manual and falls under *Section 3(d)* of the Act. The same is based on preconceived notions of the Controller and is devoid of any technical and/or legal understanding regarding the patentability of the method of repairing in general. If it is taken to be true, no patent can/ should be granted on method of repairing in any technological domain. The same is far from being correct as the method of repairing involves technical steps and patents on the same are granted by the Patent Offices all over the world.

V. The claims of the appellant have not been construed as the technical steps/ technical features recited in the method of Claim no.1 have been ignored without analysing any technical aspects of the invention. In fact, it has been wrongly held that the claim teaches the application/use of the device as claimed in Claim no.2. The same cannot be true since Claim no.1 recites five technical steps for implementing the claimed method of repairing the inside of a gas

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flue, which extracted as under:

a) Step of inserting and disposing the first pipe (11) so that the first pipe (11) maintains a predetermined gap with respect to an inner peripheral surface of the gas flue (2), and an upper end of the first pipe (11) is located in the gas flue (2);

b) Step of inserting the second pipe (12) into the lower end of the gas flue (2);

c) Step of fixing the second pipe (12) to the lower end of the gas flue (2) by screwing the male screw portion (15a) of the second pipe (12) to a female screw portion (15b) provided on an inner peripheral surface of the lower end of the gas flue (2) so that a gap between a lower end of the first pipe (11) and the lower end of the gas flue (2) is sealed by the ring-shaped plate (13);

d) Step of injecting a mortar (20) into the gap between an outer peripheral surface of the first pipe (11) and the inner peripheral surface of the gas flue (2) from a lower side to an upper side thereof in a vertical direction; and

e) Step of collecting the mortar (20), which overflows from the upper end of the first pipe (11) and enters into the inside of the first pipe (11).

VI. Thus, though the Claim no.1 is directed towards a method clearly reciting five technical steps/ technical features of the claimed method, the Controller rejected the patent application of the appellant without analysing the technical aspects of the invention without any basis for doing so anywhere in the Act and/ or the Manual of Patent Office Practice and Procedure and/ or any legal precedent. On the

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contrary, for evaluating the patent eligibility of the claims, the Controller ought to have construed and analysed the claims and applied the standard/ test of patent eligibility for *Section 3(d)* of the Act before reaching to such a conclusion. Such blatant disregard of the technical features recited in Claim no.1 and non-application of any standard/ test is against the basic tenets of the patent jurisprudence.

VII. Lastly, the corresponding applications filed in the other jurisdictions have proceeded to grant, copies whereof have been filed before this Court.

CONTENTIONS OF RESPONDENT/ CONTROLLER:

7. *Per contra*, Ms Nidhi Raman, CGSC for the Controller, supporting the impugned order, raises the following arguments:

A. The impugned order passed by the respondent rejecting the application for grant of a patent of the appellant is in view of *Section 3 (d)* of the Act and does not call for any interference by this Court.

B. The appellant in Claim no.1 discloses five steps that include inserting the first pipe, inserting the second pipe and fixing the second pipe, injecting mortar, and collecting mortar, all of which are application parts of device components described in Claim 2, namely first pipe, second pipe, sealing portion, injection portion, mortar supply portion, and collection portion. A skilled person can complete the method set out with parts/ components in accordance with the Operating Handbook/ Manual of the device.

C. No inventive step in repair that excludes the device, as stated in Claim no.2, was found in Claim no.1. Hence, technical steps for

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implementing the claimed method of repairing the inside of a gas flue are part of the application/ use of the device only.

D. No contribution lies in the use/ application of the device, and it is only part of the Operating Handbook/ Manual as provided with the device. A person skilled in the art can achieve that method with the help of the said Operating Handbook/ Manual. Hence, patentability of the use/ application of the claimed device falls within the scope of *Section 3 (d)* of the Act as the "Invention not patentable".

E. The subject matter of device claims came up during the hearing and it was suggested to the authorised person present that if the invention exists in the device claims and that the application claims for that device are not permitted under the provisions of the Act because they can be achieved using the device's components as per operating instructions in the Operating Handbook/ Manual for repairing the device. When a device is manufactured, every manufacturing company provides an Operating Handbook/ Manual. There were no steps in the process that produced a special technical impact or functional relationship that led to an enhanced outcome.

F. As per claims on records dated October 24, 2018, Claim no.2 teaches a device (30) for repairing and inside of a gas flue of a coke oven comprising of a first pipe; sealing portion; injection portion; mortar supply portion; collection portion; sealing portion having a second pipe, male screw portion and ring-shaped plate. All these are constructional features of the device used for repairing the inside of the gas flue of a coke oven whereas Claim no.1 teaches a method of

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repairing the inside of a gas flue of a coke oven by using a device.

G. Even the steps as mentioned are a function or application/ use of the features of the device as claimed in Claim no.2. i.e., step of inserting and disposing first pipe; step of inserting second pipe; injection of mortar using mortar supply portion; collection of mortar in collection portion. All these steps are done using device components as claimed in Claim no.2.

ANALYSIS, REASONINGS AND FINDINGS:

8. The core of the dispute revolves around the patent-eligibility of the invention under *Section 3(d)* of the Act.

8.1. Before proceeding, the claims as rejected by the Controller are reproduced here for more clarity:

> "*1. A method for repairing an inside of a gas flue (2) of a coke oven (50), which is for repairing a damaged portion (10) in the gas flue (2) of the coke oven (50) by using a device (30) having: a first pipe (11); a second pipe (12) which covers a periphery of the first pipe (11) with a predetermined gap and has a male screw portion (15a) surrounding an outer peripheral surface thereof; and a ring-shaped plate (13) which performs closure between an inner peripheral surface in a lower end of the second pipe (12) and an outer peripheral surface of the first pipe (11), the method comprising:*
> *a step of inserting and disposing the first pipe (11) so that the first pipe (11) maintains a predetermined gap with respect to an inner peripheral surface of the gas flue (2), and an upper end of the first pipe (11) is located in the gas flue (2); a step of inserting the second pipe (12) into the lower end of the gas flue (2); a step of fixing the second pipe (12) to the lower end of the gas flue (2) by screwing the male screw portion (15a) of the second pipe (12) to a female screw portion (15b) provided on an inner peripheral surface of the lower end of the gas flue (2) so that a gap between a lower end of the first pipe (11) and the lower end of the gas flue (2) is sealed by the ring-shaped plate (13); a step of injecting a mortar (20) into the gap between an outer peripheral surface of the first pipe (11) and the inner peripheral surface of the gas flue (2) from a lower side to an upper side thereof in a vertical direction; and*

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a step of collecting the mortar (20) which overflows from the upper end of the first pipe (11) and enters into an inside of the first pipe (11).

2. A device (30) for repairing an inside of a gas flue (2) of a coke oven (50), which is for repairing a damaged portion (10) of the gas flue (2) of the coke oven (50), the device (30) comprising:

a first pipe (11) which is disposed so that the first pipe (11) maintains a predetermined gap with respect to an inner peripheral surface of the gas flue (2), and an upper end of the first pipe (11) is located in the gas flue (2);

a sealing portion (15) which seals a gap between a lower portion of the first pipe (11) and a lower end of the gas flue (2);

an injection portion (14) which penetrates the sealing portion (15) and communicates with the gap;

a mortar supply portion (19) which injects a mortar (20) into the gap through the injection portion (14); and

a collection portion (23) which is provided in the lower portion of the first pipe (11) and collects the redundant mortar overflowing from the upper end of the first pipe (11),

wherein the sealing portion (15) includes:

a second pipe (12) which covers a periphery of the first pipe (11) with a predetermined gap and has a male screw portion (15a) which is screwed to a female screw portion (15b) provided on an inner peripheral surface of the lower end of the gas flue (2); and

a ring-shaped plate (13) which performs closure between an inner peripheral surface in a lower end of the second pipe (12) and an outer peripheral surface of the first pipe (11).

3. The device (30) for repairing the inside of the gas flue (2) of the coke oven (50) as claimed in Claim 2, wherein an internal diameter of the gas flue (2) and an outer diameter of the second pipe (12) are identical."

8.2. The aforesaid claims in the invention made by the appellant before this Court cover two subject matters:

I. A device for repairing an inside of a gas flue of a coke oven, which is for repairing a damaged portion of the gas flue of the coke oven (Claim nos. 2 and 3).

II. A method for repairing the inside of a gas flue of a coke oven using the device (Claim no.1).

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8.3. The impugned order addresses only the subject matter covered in Claim no.1 and decides the same as mere use of a "*known device*" as under:

> "*Applicant submission regarding the method for repairing an inside of a gas flue is not sufficient. If any device was made for any repairing work then repairing of that work with that device is a part of Manual of operation of that device that means how to use the device. So no contribution lies in method when it is standard by operation of that device. In my opinion if device for repairing an inside of gas flue is manufactured then method of operation for repairing is fixed as manual by manufacturing industry and anybody can repair that inside of gas flue by using that device and Manual of use for repairing.* ***New use of known substance /device*** *fall under section 3 (d) of The Patent Act disclosing "what are not inventions"."*

8.4. *Section 3(d)* of the Act contains the following categories/ basic elements qua an invention:

a. "*mere discovery of a new form of a known substance,*"

b. "*mere discovery of any new property for a known substance,*"

c. "*mere discovery of new use of a known substance,*" and

d. "*mere use of a known process, machine, or apparatus.*"

8.5. As per *Section 3(d)* of the Act, "*the mere discovery of use of a known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant*" is precluded from the patentability. Though, as per Controller, the subject matter of the application falls under the fourth category, i.e. "*mere use of a known process, machine, or apparatus*" of *Section 3(d)* of the Act since Claim no.1 of the invention is the mere use or application of the

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device covered in Claim no.2, however, since no objection qua novelty has been specified anywhere in the impugned order regarding Claim no.2, it is unclear as to what actually is the said *"known process, machine, or apparatus"* involved in the subject application of the appellant.

8.6. Similarly, the impugned order is silent/bereft of any prior art document from which the device for implementing the method claimed in Claim no.1 is known. Needless to mention, though the Controller has cited a prior art document D1 in the Hearing Notice; however, there is no adverse observation on the novelty and inventive step of both Claim nos.1 and 2.

8.7. The aforesaid is sufficient for this Court to conclude that the Controller has acknowledged the novelty and inventive step of the claims. In fact, the device for implementing the method claimed in Claim no.1 has been claimed in Claim no.2 of the subject application. Therefore, since it cannot be presumed to be a "*known process, machine, or apparatus*", the Controller has erred in holding to the contrary.

8.8. Further, since it is not clear from the impugned order as to how the claims of the subject application fall under the purview of *Section 3(d)* of the Act, especially when no such object was raised when the Hearing Notice was issued. Therefore, the same is contrary to what has been held by a Co-ordinate Bench of this Court in ***D.S. Biopharma Limited vs. The Controller of Patents and Designs and Anr.*** (C.A. (COMM.IPD-PAT) 6/2021), *the* relevant extracts of which are as under:

> *"19. Therefore, holistically read, the Appellant has not had adequate opportunity to deal with the objection under Section 3(d) in as much as apart from merely specifying the said objection for*

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> *the first time in the hearing notice, the manner in which the said objection was attracted was completely absent.*
> *20. In the* ***absence of the proper identification of the known substance in the hearing notice*** *and a lack of proper opportunity being afforded to respond to the objection under Section 3(d), the impugned order is not sustainable.*"

8.9. The position in the present case is the same as was before the Co-ordinate Bench in ***D.S. Biopharma Limited (supra),*** and since it is not specified as to what is the "*known process, machine, or apparatus*" in the impugned order, the same cannot be rejected under *Section 3(d)* of the Act. In any event, the said "*process, machine, or apparatus*" has to be known before the priority date of the subject application. Such is not the case herein.

8.10. The impugned order does not construe and analyse the technical steps of the claimed method and/or does not apply any test/standard for patent eligibility of the subject matter and/or does not identify the known substance/device for which *Section 3(d)* of the Act was attracted and has ignored that the Claim no.2 of the subject application claims a novel and inventive device for implementing the method claimed in Claim no.1.

8.11. This is contradictory to ***Manohar v. State of Maharashtra & Ors***.[1] and ***Agriboard International LLC v Deputy Controller of Patents And Designs***[2]**,** wherein it has been held that the Patent Office must issue a '*speaking order*' reflecting the application of mind and recording of reasons, particularly while rejecting patent applications. Not doing so is in stark violation of the principles of natural justice.

8.12. As such, since the impugned order is not giving sufficient reasons

[1] AIR 2013 SC 681
[2] C.A. (COMM.IPD-PAT) 4/2022

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and is without any legal basis, particularly, since it is without identification of a "*known substance and/or device*", the impugned order is not sustainable in the eyes of law and liable to be set aside.

8.13. Accordingly, the appeal is disposed of with the following directions:

(i) The impugned order dated March 16, 2020, passed by the respondent is set aside, and the matter is remanded to the respondents for fresh consideration.

(ii) The patent application for the subject patent is restored to its original number.

(iii) Prior to deciding the matter afresh, the appellant shall be granted a hearing, and notice of such hearing must clearly delineate the objection(s). In addition to any outstanding objections, the Controller shall address the following questions in the final order after giving the appellant an opportunity to respond to the following set of questions:

a. Does Claim no.1 cover the use claims disguised as method claims, which are not considered invention under *Section 2(1)(j)* of the Act?

b. Whether Claim no.1 falls in *Section 3(n)* being a mere presentation of information?

c. Does the invention covered in Claims 1, 2 and 3 to meet the requirement under *Section* 2(1)(j)- Novelty, Inventive step and industrial application? These requirements are to be dealt with separately by properly applying existing tests.

(iv) The Controller is directed to render final decision within a period of four months from the date of conclusion of the hearing.

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8.14. The Registry is directed to supply a copy of this judgment to the office of the Controller General of Patents, Designs and Trademarks of India on email llc-ipo@gov.in for compliance of the directions in the judgment. In addition, let the learned CGSC to also communicate the aforesaid directions to the office of the Controller General of Patents, Designs and Trademarks of India.

SAURABH BANERJEE, J.

AUGUST 29, 2024
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