

IN THE HIGH COURT AT CALCUTTA
ORIGINAL SIDE
(Intellectual Property Rights Division)

BEFORE:

The Hon'ble Justice Ravi Krishan Kapur

IPDPTA/13/2024

ITC LIMITED
VS

THE CONTROLLER OF PATENTS DESIGNS AND TRADEMARK

For the appellant : Mr. Gourav Pachnanda, Senior Advocate
Mr. J. Sai Deepak, Senior Advocate
Mr. Manosij Mukherjee, Advocate
Mr. Samik Mukherjee, Advocate
Mrs. Mitul Dasgupta, Advocate
Ms. Amrita Majumdar, Advocate
Mr. Threcy Lawrence, Advocate
Mr. K. K. Pandey, Advocate
Mr. Teesham Das, Advocate
Ms. Pooja Sett, Advocate
Ms. Mallika Bothra, Advocate

For the respondent : Ms. Sanjukta Gupta, Advocate

Judgment On : 20.05.2025

Ravi Krishan Kapur, J.:

1. This is an appeal against an order dated 21 August 2024 whereby an application for patent has been rejected under section 3(b) of the Patents Act, 1970.
2. The invention is titled "A Heater Assembly to Generate Aerosol". Briefly, with the increasing demand for handheld aerosol-generating devices which are able to deliver aerosol for user inhalation, the invention is designed to provide a uniform heat distribution system throughout the aerosol-forming substrate present with an aerosol generating article.

3. In passing the impugned order, the Controller has summarily rejected the appellant's invention under section 3(b) of the Act on the ground that the invention causes serious prejudice to human life, health, public order and morality.
4. It is contended on behalf of the appellant that despite being able to distinguish the invention with the prior arts and satisfy the Controller in respect of "inventive steps", the Controller erroneously proceeded to dismiss the subject invention under section 3(b) of the Act. There are no reasons in the impugned order. The Controller has also wrongfully and erroneously construed the invention. The impugned order is based on a misinterpretation of section 3(b) of the Act. The Controller has arbitrarily and in violation of the principles of nature justice relied on documents which surfaced for the first time in the impugned order and copies wherof were never supplied to the appellant. As such, the appellant was denied any right or opportunity to deal with such documents. The finding that the invention is contrary to "public order and morality" is cryptic and completely bereft of reasons. In passing the impugned order, the Controller has erroneously relied on Article 47 of the Constitution. The Controller has also erred in interpreting the scope, purport and ambit of section 83(e)(a) of the Act.
5. On behalf of the respondent Controller, it is submitted that there is no justification in interfering with the impugned order. The impugned order is adequately reasoned and is in conformity with The Prohibition of Electronic Cigarettes (Production, Manufacture, Import, Export, Transport, Sale, Distribution, Storage, and Advertisement) Act, 2019.

6. Section 3(b) of the Act is set out below:

3. What are not inventions.—The following are not inventions within the meaning of this Act,—

(b) an invention the primary or intended use or commercial exploitation of which could be contrary public order or morality or which causes serious prejudice to human, animal or plant life or health or to the environment;

7. One of the objects of the Act is to promote the progress of scientific research and technology in public interest. This object is achieved by granting exclusive rights to inventors over their invention for a specific period of time. With the lapse of this period, the invention enters the public domain. The role of the Patent Office as an administrative authority is vital in the grant or rejection of patents. The responsibility and the work which has to be performed by the Office cannot be undermined in achieving the purpose and object of the Act.
8. Section 3(b) focuses on the “primary or intended use or commercial exploitation” of an invention. On a plain reading of the section, it is essential to identify the utility of the invention. An invention, the primary or intended use or commercial exploitation of which, would be contrary to public order or causes serious prejudice to human, animal, plant life or health or the environment is not patentable. In the impugned order, the Controller has fundamentally erred in his understanding of the invention. Though the invention works on substrates (either solid or in liquid form) which may or may not contain tobacco compounds, it is not predicated or limited to the substrate at all. The impugned order erroneously proceeds on the basis that the invention shall exclusively be only used with substrates comprising of active tobacco compounds and thus cause prejudice to human life and health.

9. Once the primary or intended use of the proposed invention is determined, the second question which arises is whether the primary or intended use is contrary to public order or to morality or causes serious prejudice to human, animal, plant life to health or to the environment. Despite the minor difference in scope and language, the expression *ordre public* in the Trade Related Aspects of Intellectual Protection of Industrial Property (TRIPs) can always be looked as guidance in interpreting the words “public order” in section 3(b). The origins of this can be traced to Article 53A of the European Patent Convention (EPC). In this context, the provisions of section 1(3) and section 1(4) of the 1977 Act which is based upon Article 53(a) of the European Patent Convention (EPC) which in turn is based on *4^{quater}* of the Paris Convention can also be considered in interpreting section 3(b) of the Act. The Guidelines indicate the purpose of the provision is to deny protection to inventions likely to induce riot or public disorder or to lead to criminal or other generally offensive behaviour (*Terrell on the Law of Patents, 19th Edition, at 2-130*).
10. In *Hindustan Lever Limited versus Lalit Wadhwa & Anr. 2007 SCC OnLine Del 1077*, it has been held as follows:

14. *On the other hand, it is argued by learned Counsel for the Plaintiff that the grant of a patent to a person does not entitle that patentee to infringe another patent. It is argued that the right of a patentee is an “exclusionary right” in the sense that it confers upon the patentee an exclusive right to prevent infringement of its patent by another. It does not confer the right to practice or use the invention. The plaintiff relies on the wording of section 48 of the Patents Act, 1970 and contrast the same with section 28 of the Trademarks Act, 1999. While a patentee has the exclusive right to prevent third parties from infringing the patent, a registrant of a trademark has the exclusive right to use the trademark. The grant of a patent to the defendant gives no immunity or defence in an action for infringement of the plaintiff's patent. Reliance is placed on “Patents for Chemicals, Pharmaceuticals and Bio Technology” (IV Edition) by Phillip W. Grubb on page 4 of the said commentary, the learned author states that:*

“Exclusionary Right
It is important to realise that the rights given by the patent do not include the right to practise the invention, but only to exclude others from doing so. The patentee's freedom to use his own invention may be limited by legislation or regulations having

nothing to do with patents, or by the existence of other patents. For example, owning a patent for a new drug clearly does not give the right to market the drug without permission from the responsible health authorities, nor does it give the right to infringe an earlier existing patent. In the very common situation where A has a patent for a basic invention and B later obtains a patent for an improvement to this invention, then B is not free to use his invention without the permission of A, and A cannot use the improved version without coming to terms with B. A patent is not a seal of government approval, nor a permit to carry out the invention. We very often hear 'This patent allows Company X' to do something or other. It does not, it only allows them to stop someone else from doing it. The right to prevent others from carrying out the invention claimed in a patent may be enforced in the courts; if the patent is valid and infringed the court can order the infringer to stop his activities, as well as providing other remedies such as damages."

15. *The plaintiff argues that the defendant is guilty of infringement of its patent, as the defendant's product is clearly covered by the claims contained in the plaintiff's patent. The plaintiff also argues that the defendant's patent is subsequent to that of the plaintiff. The plaintiff, by relying upon section 45 of the Patents Act contents that the patent dates back to the date of publication of the patent. The plaintiff's application was published in December 2003, though granted in the year 2006, while the defendant's application was published in March 2004, though granted in May 2005. The plaintiff claims priority from 19th June 2002 whereas, according to them, the defendant's patent is of 29th March 2004. Plaintiff also relies on Alert India v. Naveen Plastics, 1997 PTC (17) 15, which holds that a prior proprietor of copyright in a design has a preferential right over a later proprietor of the copyright in design.*

16. *I find no merit in the aforesaid submission of the defendant that no action for infringement of patent can lie against another patentee. As submitted by the plaintiff, section 48 of the Act grants the exclusive right to a patentee to prevent third parties, who do not have his consent, from undertaking the making, using, **offering for sale, selling** etc. the patented product in India. There is no exclusive right in the patentee to make use of, offer for sale, sell or otherwise exploit the patented product in India. I find myself in agreement with the statement of the law in the treatise of Philip W. Grubb wherein he states that the right of a patentee is an "Exclusionary Right".*

11. In concluding that the invention causes serious prejudice to human life and health and is barred under section 3(b) of the Act, the Controller has not provided any reasons nor furnish any justification at all. Admittedly, tobacco products are not *per se* unpatentable in India. There must be a nexus between how the mind has been applied to the matters in issue and the conclusion based thereon. This is conspicuously absent in the impugned order. [*Uniworth Resorts Ltd. vs. Ashok Mittal & Ors. (2008) 1 Cal LT 1*]. In passing the impugned order, there has also been a complete disregard to the intent principle i.e. *intent* behind the appellant's invention and misplaced reliance on the *affect* or *harm* principle in arriving at such

conclusion. [*HARVARD/Onco-mouse (T19/90) [1990] O.J. EPO 476, PLANT GENETIC SYSTEMS/Glutamine Synthetase inhibitors (T356/93) [O.J. EPO 545], Howard Florey/Relaxin (1995) OJ EPO 388 and Harvard/Transgenic Animals, T 315/03 (2006) OJ EPO*].

12. The Prohibition of Electronic Cigarettes (Production, Manufacture, Import, Export, Transport, Sale, Distribution, Storage, and Advertisement) Act, 2019, as a possible ground in rejecting the application for patent has not been considered in the impugned order. This Act deals with the sale, manufacture, import export and not with the grant or non-grant of patent for an invention (Unreported decision in *IPDPTA No.121 of 2023 ITC Ltd. vs. The Controller of Patents, Designs & Trademark* dated 30 April, 2025 High Court at Calcutta). Despite the above, the respondent had advanced submissions on this aspect of the matter notwithstanding the fact that this ground has neither been taken in the pleadings nor mentioned in the impugned order. In such circumstances, any submissions in respect of the above ground stands rejected. It is impermissible to support the impugned order on additional grounds which are not reflected in the impugned order.
13. There is also an inherent fallacy in the impugned order inasmuch as it proceeds on the basis that grant of a patent confers a consequential affirmative right to sell or commercialize the product. This is not the rationale behind seeking a patent. The grant of patents do not control whether or how an invention is exploited. The grant of a patent also does not confer upon the patentee the right to use, sell or otherwise manufacture the subject invention. Historically, patent rights have been treated as exclusionary rights or negative rights inasmuch as they only gives the

patentee the right to prevent third parties from manufacturing the subject invention. In an unreported decision in *R J Reynolds Tobacco Company vs. The Controller Of Patents, Designs And Trademark*, IPDPTA 31 of 2023, dated 16 April 2025, this Court inter alia, held as follows:

“It has been a longstanding principle of patent law that patents should not be granted for immoral inventions. On a plain reading, section 3(b) focuses on the primary or intended use or commercial exploitation of an invention. The underlying interest being ethical considerations. In similar context, Article 53(a) of the EPC 2000 provides that European patents ‘shall not be granted in respect of inventions, the commercial exploitation of which would be “contrary to public order or morality”.

In the 161st Report of the Parliamentary Standing Committee on Commerce, in section 12.1(i), it has been observed that;

“It was informed that section 3(b) of the Patents Act, 1970 prohibits patenting of technology, use or application at the sole discretion of the Controller if found by him to be 'contrary to public order or morality or which causes serious prejudice to human, animal or plant life or health or to the environment'. Hence, the widely worded provision of Section 3 (b) is without any sufficient guidance or safeguards against arbitrary exercise of power by the Controller. It, therefore, may lead to refusal of socially useful inventions under patent protection. For example, nicotine chewing gums, which are used for deaddiction to smoking, are denied patent on the ground of section 3(b). Furthermore, smoking devices which make smoking less hazardous are denied patents in India. It was suggested that that the provision should be amended wherein patents are not granted to inventions that are considered as against the law being in force. The Committee recommends the Department that the Section 3(b) of Indian Patent Act, 1970 should be amended so that a provision of a safeguard mechanism is included against the arbitrary exercise of power by the Controller in declining patents. A check and balance mechanism should be inserted under the Act which would ensure granting of patents to socially useful inventions or innovations. It, however, recommends that the provision be amended to limit the exclusion to only those inventions which are barred under any law for the time being in force.”

14. In passing the impugned order, the reliance on the three additional documents which have been cited in the impugned order without providing an opportunity to the appellant to deal with the same, is in violation of the principles of natural justice. There was no opportunity afforded to the appellant to deal with any of the said documents either in the First

Examination Report (FER) or the hearing notices. This is a serious procedural infirmity in the impugned order and is in violation of the principles of natural justice. In such circumstances, the reliance on any of the three additional documents vitiates the impugned order. (*Man Truck Bus Se. vs. Assistant Controller of Patents Designs 2024 SCC OnLine Del 874* and Unreported decision in *C.A. (COMM.IPD-PAT) 311/2022 in Perkinelmer Health Sciences Inc vs. Controller of Patents*).

15. The preconceived and subjective notion that all tobacco products causes serious prejudice to human life and health without any reliance on scientific or technical evidence or any other supporting facts is unsustainable.
16. The finding that the subject invention is contrary to public order and morality is unreasoned, cryptic and without any basis. The fact that the Controller was of the view without consideration of any independent scientific or technical evidence that the usage of the invention affects public order and morality cannot be the basis for rejecting the invention. The interaction of patent laws and ethics is an uncomfortable relationship and has always produced difficulties. In such circumstance, section 3(b) ought not to be interpreted to deal with all subjective concerns of morality, public order or health regardless of any scientific or technical evidence or any cogent reasoning.
17. The reliance of Article 47 of the Constitution in a matter such as this is misplaced and erroneous. There is no role of either the Directive Principles of State Policy or the fundamental rights guaranteed under Article 14 of the Constitution in adjudicating upon the validity or invalidity of the invention. In going down this road, the Controller misjudged not only the role of the

Patents Office but also misinterpreted the subject invention. Similarly, the Controller has erroneously interpreted section 83(e) of the Act in assuming that the grant of patent would commercialize the product and would affect public health.

18. In view of the above, the impugned order is unsustainable and set aside. The matter is remanded back to the Controller to decide the same afresh in accordance with law after giving a right of hearing of all the parties within a period of three months from the date of communication of this order. It is made clear that there has been no expression on the merits of the case and all questions are left open to be adjudicated upon by the Controller.

(Ravi Krishan Kapur, J.)