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

% Date of decision: 17th April, 2025

\+ C.A.(COMM.IPD-PAT) 342/2022

THE COCA-COLA COMPANY .....Appellant

Through: Mr. Rohit Rangi, Mr. Vineet Rohilla, Mr. Pankaj Soni, Mr. Debashish Banerjee, Mr. Ankush Verma and Mr. Tanveer Malhotra, Advocates.

versus

THE CONTROLLER OF PATENTS & ANR. .....Respondents

Through: Mr. Arnav Kumar, CGSC with Ms. Gitanjali Vohra, Advocate for respondent no. 1.

CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL

AMIT BANSAL, J. (Oral)

1. The present appeal has been filed against the order of the Respondent dated 29th January, 2020, refusing the grant of the Indian Patent Application No. 1771/DELNP/2010 (hereinafter 'the subject application') under Section 15 of the Patents Act, 1970 (hereinafter 'the Act') on the ground that the claimed invention lacks inventive step.

2. The invention impugned in the subject application relates to a beverage dispenser which is superior to the conventional beverage dispensers. This dispenser overcomes the limited capacity and selection of

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conventional machines to offer more beverage variety and customization.

3. The respondent had issued First Examination Report (hereinafter "FER") on 7th August, 2017, raising various objections against the subject application, which are as follows: -

a. Lack of novelty and inventive step under section 2(1)(j) of the Act
b. Not patentable under section 3(k) of the Act
c. Lack of sufficient disclosure under section 10(4)(b)
d. Lack of clarity and unity under section 10(4)(c) and 10(5) of the Act.

4. The appellant had filed a detailed response addressing the objections raised in the FER on 5th March, 2018.

5. Thereafter, the respondent had passed a hearing notice on 24th September, 2019 containing following objections: -

a. Lack novelty and invention under section 2(1)(j) of the Act.
b. Not an invention under section 3(k) of the Act.

6. Subsequently, a hearing was conducted on 10th October, 2019 and written submissions were filed by the appellant on 25th October, 2019.

7. *Vide* the impugned order the respondent refused the grant of patent on the ground that the invention impugned in subject application lacks inventive step as required under section 2(1)(ja) in view of prior-arts **D1**-US6152591, **D3**-US5974396A, **D4**-US6990391B1 and **D5**-WO2005091843A2.

8. The grievance of the appellant is that the appellant had distinguished all the aforesaid prior arts cited by the Assistant Controller in the hearing

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notice, through the post-hearing written submissions. However, it is submitted that the impugned order has been passed in a cryptic manner, without analysing the submissions made on behalf of the appellant regarding the distinction between the subject patent application and the prior-arts. The operative part of the impugned order is set out below:-

> "*4. In view of claims made in written submission following observations with respect to instant invention made :*
>
> *In view of argument provided in written submission as "**a consumer preference that tailors display of beverage formulations in the user interface**"*
>
> ***Such step is merely showcase the tailored choices in the GUI which is obvious in view of cited prior art D1 disclosing system of graphic display to display variety of data display therefore the said subject matter would be obvious in view of D1.***
>
> *Further the claim for "a reader (106A) configured to obtain identification information associated with a consumer via a wireless communication" is disclosed in D3-US5974396A as "**Each point of sale terminal includes a card-code reader 52A, 52B, etc. for scanning/reading codes assigned to various products purchased by a consumer during a purchasing transaction as well as identification and other information from consumer membership cards, i.e. smart cards. Card-code readers 50A and 50B may be optically based, but the present invention envisions other kinds of reading mechanism as well, e.g. a magnetic strip detector for reading coded information on a magnetic strip, etc.**"*
>
> *Further D3 discloses that "**typical consumer information includes household demographics where the term demographics refers to names, address (including zip code), ages of members in the household as well as dietary restrictions, number and type of***

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household appliances, income, pet information, and any other characteristic features that may identify particular consumers and particular consumer preferences/needs.*"*

D4 discloses a controller to dispense the beverage.

D5 discloses a royalty reward points program.

Therefore, in view of cited prior arts the steps as claimed in written submission are obvious and not inventive.

5. The oral argument and the written submission of the agent of the applicant have been carefully considered. However without prejudice, although the hearing submissions have attempted to address the other requirements, yet the substantive requirement of the Patents Act, 1970 i.e. Section 2(1)(j) is not found complied with. Hence, in view of the above and unmet requirements, this instant application is not found in order for grant."

9. A perusal of the aforesaid extracts from the impugned order shows that it has been passed without addressing the submissions of the appellant or demonstrating proper application of mind. The appellant had placed on record, in their written submissions, various arguments distinguishing the prior arts from the subject invention. However, the same have not been considered in the impugned order. The order lacks reasoning capable of withstanding judicial scrutiny.

10. At this stage, reference may be made to the judgment of a Coordinate Bench of this Court in ***Agriboard International LLC* v. *Deputy Controller of Patents and Designs***, 2022 SCC OnLine Del 940 (hereinafter "Agriboard"). The relevant observations are set out below:

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"23. The said reasoning has been reiterated by the Supreme Court in Manohar v. State of Maharashtra & Ors. AIR 2013 SC 681 wherein it has been categorically observed that ***application of mind and recording of reasoned decision are the basic elements of natural justice. There can be no doubt that scrupulous adherence to these principles would be required while rejecting patent applications****.*

24. In the opinion of this Court, while rejecting an invention for lack of inventive step, the Controller has to consider three elements-

- *the invention disclosed in the prior art,*
- *the invention disclosed in the application under consideration, and*
- *the manner in which subject invention would be obvious to a person skilled in the art.*

25. Without a discussion on these three elements, arriving at a bare conclusion that the subject invention is lacking inventive step would not be permissible, unless it is a case where the same is absolutely clear. Section 2(1(ja) of the Act defines „inventive step" as under:

> *(ja) "inventive step" means a feature of an invention that involves technical advance as compared to the existing knowledge or having economic significance or both and that makes the invention not obvious to a person skilled in the art.*

26. ***Thus, the Controller has to analyse as to what is the existing knowledge and how the person skilled in the art would move from the existing knowledge to the subject invention, captured in the application under consideration. Without such an analysis, the rejection of the patent application under Section 2(1)(ja) of the Act would be contrary to the provision itself.*** *The remaining prior arts which are cited by ld. Counsel having not been considered in the impugned order, the Court does not wish to render any opinion in this regard."*

[emphasis supplied]

11. The aforesaid judgement in ***Agriboard*** (supra) has been followed by me in ***Rosemount Inc. v. Deputy Controller of Patents and Designs*** 2023 SCC Online Del 2487 and ***Marelli Europe S.P.A. v. The Deputy Controller***

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of Patents and Designs, C.A.(COMM.IPD-PAT) 21/2024.

12. Therefore, it is a settled position that the Patent Office is required to pass a speaking order analysing what is the existing knowledge and how the subject invention lacks inventiveness in light of the prior art. In the impugned order, the Controller has not analysed the subject application in light of the post-hearing written submissions of the appellant and has failed to give a reasoned order.

13. Accordingly, the impugned order is set aside and the matter is remanded back to the Patent Office for a fresh consideration.

14. The Controller would afford a fresh opportunity of hearing both sides before deciding the subject patent application after giving a hearing notice to the appellant.

15. Needless to state that the fresh order passed by the Controller will deal with the valid submissions raised on behalf of the appellant.

16. The present appeal stands disposed of in terms of the aforesaid.

17. The Registry is directed to supply a copy of the present order to the office of the Controller General of Patents, Designs & Trade Marks of India on the e-mail- *llc-ipo@gov.in* for compliance.

AMIT BANSAL, J

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