

DIFFERENCE OF NOVELTY AND INVENTIVE STEP: READING OR MISREADING OF STATUTORY TEXT IN JUDICIAL DECISIONS

GHAYUR ALAM*
AQA RAZA**

ABSTRACT : Novelty and Inventive Step are related but two different levels of enquiry under patent law. First level of enquiry, after the enquiry of patentable subject-matter, is that of novelty which is confined to one prior art reference. Second level of enquiry is that of inventive step which spreads over multiple prior art references. If claimed invention is not novel, there is no need to enquire about inventive step. Only three decisions of Supreme Court directly deal with novelty and inventive step. These decisions, however, neither explain nor lay down any test of distinguishing between novelty and inventive step. Central argument of this article is that statutory definitions of new invention (novelty) and inventive step as given under s. 2 (1) (l) and s. 2 (1) (ja) of the Patents Act, 1970¹ and provisions of the Indian Patents and Designs Act, 1911 (hereinafter, Act of 1911) are relatively explicit and clear but the relevant judicial decisions have been either silent as to distinguishing features of novelty and inventive step or have confounded the two making their distinction opaque. The argument

* LL.M., Ph.D. (Law) Professor of Business Laws and Intellectual Property Rights, Dean, Undergraduate Studies, National Law Institute University (NLIU), Bhopal, Madhya Pradesh 462044, India, Email: ghayuralam@nliu.ac.in

** B.A., LL.B. (Hons.) and LL.M.(Gold Medalist). Teaching and Research for Intellectual Pursuit (TRIP) Fellow and Academic Tutor at Jindal Global Law School, O.P. Jindal Global University, Sonapat, Haryana 131001, India. ,Email: aqaraza@outlook.com - Authors acknowledge the research support provided by Dr. Debshree Sarkar, Assistant Professor at NLIU, on judgments relating to presumption against surplus age of statutory text.

1. 39 of 1970

proceeds from semantic analysis to legal analysis of the statutory text and relevant decisions of the Supreme Court on novelty and inventive step.

KEY WORDS : anticipation, new invention, novelty, inventive step, non-obviousness, person skilled in the art, prior art.

I. INTRODUCTION

Argument of this article is that statutory definitions of new invention (novelty) and inventive step as given under s. 2 (1) (l) and s. 2 (1) (ja) of the Patents Act, 1970² (*hereinafter*, 'Act of 1970') and provisions of the Indian Patents and Designs Act, 1911 (*hereinafter*, 'Act of 1911') are relatively explicit and clear but decisions in *Bishwanath Prasad Radhey Shyamv. Hindustan Metal Industries*³ (*hereinafter*, *Bishwanath Prasad*); *Monsanto Company v CoramandalIndag Products (P) Ltd.*⁴ (*hereinafter*, *Monsanto*); and *Novartis AG v. Union of India*⁵ (*hereinafter*, *Novartis*) have been either silent as to distinguishing features of novelty and inventive step or have confounded the two making their distinction opaque. No other direct decision of the Supreme Court is available on novelty and inventive step.

Trilogy of these judgments has at least four features in common. *One*, they dealt with question of novelty and inventive step. *Two*, in first two judgments patent was revoked and in the last judgment patent application was denied. *Three*, judgments *in personam* are legally valid and can be hardly contested. *Four*, trinity of judgments has unity of opacity as to distinction between novelty and inventive step. Opacity in and due to judicial interpretation-construction of statutory text creates legal uncertainty. Text of statutes is couched necessarily in abstract language so that present and future fact situations may be subsumed by the statutory provisions. Courts are expected to make meaning of statutory text clear, unambiguous and unequivocal with the help of concrete cases. An analysis of these judgments seems to mirror an inverted image of judicial craft.

2. *Ibid.*

3. (1979) 2 SCC 511; Full Bench, unanimous judgment delivered by Justice R.S. Sarkaria.

4. (1986) 1 SCC 642; Division Bench, unanimous judgment delivered by Justice O. Chinnappa Reddy.

5. (2013) 6 SCC 1; Division Bench, unanimous judgment delivered by Justice Aftab Alam.

Judicial craft is expected to begin from statutory premises and reach a conclusion in such a manner that the meaning is constructed and not destructed as per the scheme of the statute. For purposes of convenience, this article is further divided into three parts. Part – II reproduces the text of the Act of 1970 relating to novelty and inventive step and seeks to provide a plain reading thereof. Part – III seeks to develop the argument by analyzing the three judicial decisions on the threshold of statutory provisions of the Act of 1970 and Act of 1911. Part – IV concludes.

II. NOVELTY AND INVENTIVE STEP: A PLAIN READING OF STATUTORY TEXT

First question that naturally occurs or at least should naturally occur to a person dealing with patent law is “what is patent?” Sec 2 (1) (m) of the Act of 1970 defines “patent” to mean “a patent for any invention granted under this Act. These eleven words narrate complete story of patent law in India. Every other provision of the Act of 1970 and the Rules framed there under merely explain and clarify the provisions of Sec 2 (1) (m). As per the scheme of the Act, the applicant for patent must disclose the invention as per the statutory requirements to get a patent. The question: ‘What is the meaning of “any invention” is a substantive patent law question is answered by s. 2 (1) (j) of the Act 1970. Provisions of s. 2 (1) (j) are explained by clauses (ja), (l) and (ac) of s. 2 (1) read with ss. 3 and 4 and Chapter VI of the Act of 1970. The question ‘what is the meaning of “granted under this Act” is a substantive procedural patent law question. This article makes no attempt to deal with substantive procedural patent law questions. However, it may be appropriate to briefly mention such questions for reasons of clarity. Such questions are four in number, namely: (i) whether claimed invention is fully and particularly described in written description part of complete specification so as to transfer knowledge and technology relating to claimed invention to the public by making full and complete disclosure of claimed invention; (ii) whether the complete specification objectively describes the claimed invention in such a manner that a person skilled in the art can replicate the claimed invention in the laboratory without conducting unnecessary and undue experiment for purposes of research, experiment and significant improvement; (iii) whether the complete specification discloses the best method or mode known to the applicant to replicate the invention without undue experiment for research purposes; and (iv)

whether the claim or claims of the complete specification is/are fairly based on written description, enablement and best mode? If the answer to all the four questions is in affirmative, claimed invention satisfies the requirements of substantive procedural patent law questions.

At this juncture, it may be appropriate to provide a brief historical account of birth and evolution of definition of ‘invention’ in India since 1911 to 2005 to appreciate the changing dimensions of the definition. After 2005, there has not been any amendment to the definition of ‘invention’.

Section 2 (8) of the Indian Patents and Designs Act, 1911⁶—predecessor of Act of 1970—defined an “invention” to mean “any manner of new manufacture and includes an improvement and an allied invention”. This definition did not have the requirements of either ‘inventive step’/ ‘non-obviousness’ or ‘utility’/ ‘capable of industrial application’. However, s. 26(1)(f) of the Act of 1911 recognized lack of utility as a ground of revocation of patent. Definition of ‘invention’ under the Act of 1911 remained in force for more than sixty years till the repeal of the Act of 1911 by the Act of 1970. Act of 1970 defined ‘invention’ under s. 2 (j) to mean “any new and useful: (i) art, process, method or manner of manufacture; (ii) machine, apparatus or other article;(iii) substance produced by manufacture, and includes any new and useful improvement of any of them, and an alleged invention.” For the first time, Act of 1970 explicitly added the requirement of being “useful” to the definition of ‘invention’. However, the requirement of ‘inventive step’/ ‘capable of industrial application’ did not find any mention therein. S. 26 of the Act of 1911 became s. 64 of the Act of 1970. This definition under the Act of 1970 as originally enacted in 1970 survived for around thirty-two years⁷ and was amended by the Patents (Amendment) Act, 2002⁸ for the first time which substituted clause (j) of s. 2 (1) of the Act of 1970 as under:

(j) “invention” means a new product or process involving an inventive step and capable of industrial application;

6. Act No. II of 1911 repealed by s. 162 of the Patents Act, 1970 [39 of 1970].

7. The Patents (Amendment) Act, 1999 (17 of 1999) did not amend the definition of ‘invention’.

8. 38 of 2002.

(ja) “Inventive step” means a feature that makes the invention not obvious to a person skilled in the art.

It is noticeable that the amendment of 2002: (i) deleted the word “useful” from the definition of ‘invention’ under s. 2 (1) (j) of the Act of 1970, (ii) requirement of ‘inventive step’ was specified for the first time in the definition of invention under s. 2 (1) (j), and (iii) s. 2 (1) (ja) was inserted for the first time to define ‘inventive step’. The Act of 1970 was further amended by the Patents (Amendment) Act, 2005⁹ and s. 2 (1) (ja) was substituted to redefine “inventive step” to mean “[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”. A new clause (l) substituting clauses (l) and (m) was inserted by the amendment of 2005 to define “new invention” for the first time to mean “[A]ny invention or technology which has not been anticipated by publication in any document or used in the country or elsewhere in the world before the date of filing of patent application with complete specification, i.e., the subject matter has not fallen in public domain or that it does not form part of the state of the art”.

Scheme of Act of 1970 as to substantive patent law question gives an irresistible impression that there is a logical structure of asking substantive patent law questions in the following order one by one:

1. What is the meaning of ‘patent’ as given in s. 2 (1) (m) of the Act? Answer to this question will tell three things: (i) patent is a grant, (ii) grant is under the Act of 1970, and (iii) grant is for any invention. The first two things relate to the procedural patent law and the third is about the substantive patent law. The third thing will take the question to s. 2 (1) (j) which defines ‘invention’.
2. What is the meaning of invention under s. 2 (1) (j) of the Act? This definition has four elements: (i) product or process, (ii) newness (novelty) of product or process, (iii) inventive step involved in making the product or process, and (iv) capability of product or process for industrial application. The third question therefore will be as under:
3. Whether or not the claimed product or process is excluded by ss. 3

9. 15 of 2005.

and 4 of the Act? If the claimed product or process is excluded by any clause of s. 3 or provisions of s. 4, the questions of novelty, inventive step and it being capable of industrial application do not arise. In *Novartis*, the Court should have closed the argument on the basis of finding and holding in view of provisions of s. 3 (d) for the claimed invention did not show any enhancement in the efficacy. The Court, however, decided to ignore the question of novelty and directly went to the question of inventive step. If the claimed product or process is not excluded by any clause of s. 3 or provisions of s. 4, then only the other questions will arise. The next question will be of novelty.

4. Whether claimed product or process is new invention under s. 2 (1) (l) of the Act? If this question is answered in the negative, then the question of inventive step will not arise. In *Novartis*, this question would not have arisen for the claimed invention was already hit by s. 3 (d) of the Act. Be that as it may, the Court did not ask this question and leaped to the question of inventive step raising doubt about the use and purpose of s. 2 (1) (l). If the answer to this question is in affirmative, then only the question of inventive step will arise.
5. Whether the claimed product or process involves an inventive step under s. 2 (1) (ja) of the Act? This question only arises if all the essentials of claimed product or process are not present in single prior art reference. Inventive step question is whether the essentials of the claimed product or process are spread over more than one prior reference and all the references put together makes the claimed product or process obvious to person skilled in the art.
6. Whether the claimed product or process is capable of being made or used in an industry under s. 2 (1) (ac) of the Act?
7. Whether the claimed product or process is useful under s. 64 (1) (g)? It is noticeable that the requirement of usefulness is not specified in s. 2 (1) (j) which defines 'invention'. However, as per the holding in *Bishwanath Prasad* and also in accordance with the scheme of the Act usefulness of the claimed product or process is an essential of invention under s. 2 (1) (j).

Saptpadi identified above constitute the substantive essentials steps in the ceremony of patent grant besides procedural steps thereof. After

the completion of first two steps, following five steps one after the other in accordance with the provisions of s. 2 (1) (j) read with s. 64 (1) (g) of the Act of 1970 are required to be taken:

First, the claimed product or process must not fall under any of the categories prohibited under ss. 3 and 4 of the Act. *Second*, the claimed product or process must not be anticipated by publication in any document or used in the country or elsewhere in the world under s. 2 (1) (l). *Third*, the claimed product or process must not lack inventive step under s. 2 (1) (ja). *Fourth*, the claimed product or process must not lack capability of industrial application under s. 2 (1) (ac). *Fifth*, the claimed product or process must not lack utility under s. 64 (1) (g). First step is discussed in other articles.¹⁰ This article deals with the second and third steps only. Fourth and fifth steps will not be dealt with in this article as they relate to substantive procedural law questions.

As noted earlier, s. 2 (1) (l) defines “new invention” and does not employ the term “novelty”. Use of the word ‘technology’ after ‘invention’ is merely tautological. ‘New invention’ means new and first in the whole world by virtue of s. 2 (1) (l) of the Act which provides “country or elsewhere in the world”. Elements of novelty (new invention) have not been identified in positive manner. Rather elements negating novelty have been identified as: (a) anticipation of invention by publication, and (b) prior use of invention. Meaning of ‘publication’ is not given in the Act. ‘Publication’ means ‘act of making known to the public’.¹¹ ‘Accessibility to’ and “not affordability of” is the essence of publication. Following may be placed in the category of prior art: (a) publication: patent (granted in any country), book, articles or research paper in any journal, Ph.D. Thesis or any other work to earn a degree from an educational institution provided the public have access to such work, internet, newspaper, magazine, any other media; (b) use anywhere in the world including India; (c) prior knowledge in any form, for example by word of mouth including *shrutis* and *smritis*. Bottom line is that the inventor must give to the society

10. See, Ghayur Alam, “Patent Eligible Products and Processes” Dr. Ram Manohar Lohia National Law University Journal 66 (2014); Ghayur Alam, “Monsanto’s Bt. Cotton Patent, Indian Courts and Public Policy” 10 WIPO-WTO Colloquium Papers 71 (2019).

11. A.S. Hornby (ed.), *Oxford Advanced Learner’s Dictionary of Current English* 675 (Oxford University Press, Delhi, 1974)

that the society did not have. He cannot give to society what it already possesses.

It is noticeable that the above definition neither mentions ‘single prior art reference’ nor does it employ the term ‘prior art’. The definition employs the term ‘state of the art’. The two terms prior art and state of the art may be used interchangeably.

It would have been more appropriate had s. 2 (1) (l) been captioned as ‘new product or process’ or simply ‘new’ instead of ‘new invention’. It would have served at least two purposes. Firstly, since the other two terms—inventive step and capable of industrial application—forming part of the definition of invention are separately defined by ss. 2 (1) (ja) and 2 (1) (ac) respectively. Therefore, under the scheme of things, the term—new product or process—also forming part of ‘invention’ should have been defined. Secondly, a cursory look at the definitions of ‘invention’ and ‘new invention’ has given rise to confusion in *Novartis*. *Prima facie*, it is not clear why the Indian statute defines ‘invention’ and ‘new invention’ and how these definitions differ from each other. A closer look, however, at the two definitions will show that definition of ‘new invention’ is an explanation to the definition of ‘invention’.

Chapter VI of the Act provides as to what does not constitute anticipation. If a circumstance does not fall in any of the provisions of Chapter VI, it may constitute anticipation. Term ‘anticipation’ is not defined by the Act rather Chapter VI is entitled ‘Anticipation’. ‘Anticipation’ means ‘action of anticipating’.¹² One of the meanings of ‘anticipate’ is ‘do[ing] something before somebody else does it’¹³ However, the most appropriate meaning of ‘anticipate’ is ‘expect’.¹⁴ ‘Expect’ means ‘think or believe that something will happen or come’.¹⁵ In other words, the claimed invention should not have been anticipated or expected by the existing knowledge. Inventor must be the first person before anybody else to conceive the invention in his mind and deliver the said conceived invention in the form of a new product or process to claim a patent over it.

12. *Id.* at 33

13. *Ibid.*

14. *Ibid.*

15. *Id.* at 298

Patent law has evolved a method to determine anticipation. The method is to find out whether alleged invention was obvious to a person skilled in the art in the light of a single prior art reference. If yes, it is not new. If no, then the question will arise, whether claimed invention is obvious in the light of multiple prior art references.¹⁶ If yes, it does not involve an inventive step. If no, it involves an inventive step. In other words, enquiry of inventive step is only needed if the claimed invention is found to be novel.

Since there is no mention of ‘person skilled in the art’ in s. 2 (1) (1), an impression may be created as if the addressee of 2 (1) (1) is not ‘person skilled in the art’. This impression seems to neglect the subtext of s. 2 (1) (1). The term ‘person skilled in the art’ is used in Section 2 (1) (ja) of the Act as forming part of the definition of ‘inventive step’. But the term is not defined by the Act. Genesis of this term may be traced to Common Law. Common Law Courts evolved the concept of ‘reasonable man’, and ‘ordinary prudent man’ as a standard to measure and judge the act of the defendant—in some cases of the plaintiff—with that of the reasonable man. The reasonable man is a figment of legal imagination and fiction created by common law courts. This legal fiction helps measure conduct and behavior of men and women for legal purposes. The legal category of ‘person skilled in the art’ therefore functions as the Golden Scale in the realm of patent law which helps distinguish the work of an ‘inventor’ from that of a ‘person skilled in the art’. A ‘person skilled in the art’ is one who is working in a particular field of science or technology and has fairly reasonable understanding of his subjects. It may be said that the person skilled in the art is a person who knows: (i) entire body of technical literature, (ii) literature teaching towards and teaching away from the claimed invention, and (iii) literature pertinent to his work. This person becomes an inventor if he succeeds in solving a problem that no other person similarly situated has been able to solve. An inventor is not merely a person skilled in the art. He is not a person knowledgeable in the art. An inventor is one who has the knowledge and the skill to translate his knowledge and ideas to make an unprecedented product, process, tool, machine, apparatus, device, manufacture, and/or composition of matter etc. He must be more skilled than a person skilled in the art. He

16. See *Nordberg, Inc. v. Telsmith, Inc.*, 881 F. Supp. 1252, 1995

need not be a genius. But he must not be an idiot. He must not be a person of average intelligence. He must know what has been done in his field of technology. What is happening in his field of technology? What is happening in the related field of technology? What has not been done in his field of technology? What are the cutting-edge frontiers in his field of technology? What are the gaps and problems in his field of technology? Finally, he must succeed in making a product or developing a process to fill the existing gap or solve the existing problem in a manner that a person skilled in his field of technology is not able to fill or solve. If claimed invention clears the test of novelty, the test of 'inventive step' kicks in. Following equation may be used to explain the above:

Inventive step = technical advancement or/and economic significance + non-obviousness.

Requirements of technical advancement and economic significance are both alternative and complementary. It is necessary that the product or process must either involve a technical advancement or economic significance. But it is not necessary that the product or process must fulfill both the requirements of technical advancement and economic significance. However, a product or process may be both a technical advancement having economic significance. Nevertheless, technical advancement and economic significance either alone or together are only a necessary condition of inventive step but not a sufficient one. Law further requires that such a technical advancement or economic significance or both must not have been obvious to a person skilled in the art.

Definition of 'inventive step' may be divided into two parts. Part 1 stipulates two alternative conditions: technical advancement and economic significance. None of these terms are defined by the Act. Part 2 stipulates only condition: non-obviousness. Needless to say, these three elements are related but different aspects of inventive step. Technical advancement is one of the elements of inventive step. However, it is neither a necessary nor a sufficient element. It is not necessary for there is an alternative to this element. It is also not sufficient for it must also be non-obvious to a person skilled in the art.

Technical advancement is to be measured in terms of existing knowledge. It must be advancement over the existing knowledge. Technical

advancement may be of two types: unprecedented (revolutionary) and incremental (evolutionary). Revolutionary technical advancement by its very nature involves inventive step. It is the evolutionary advance which is generally problematic in patent law. Further, most of the technical advancements are evolutionary and incremental. Not every evolutionary advancement, however, meets the requirements of inventive step. Only those evolutionary technical advancements which were not obvious to the person skilled in the art meet the requirement of inventive step. In other words, a human intervention resulting in the improvisation of existing technology does not involve an inventive step unless such an intervention was not obvious to a person skilled in the art but was made obvious for the first time by the inventor.

Existing knowledge is the touchstone to measure whether there is a technical advance. Technical advance is an addition to the existing knowledge. This addition generally is a movement from complex to simple. Technical advancement must make the life simple. For example, there was a time when fourteen (14) injections were administered to a man after dog bite. Now, only one injection is sufficient. Let us take a very recent example of technical advancement in the field of internet technology. India is still using 4G technology of internet. Some countries are using 5G technology. China is leading the research in 6G technology. There will 7G technology and so on so forth.

Economic significance is an element of inventive step. Like, technical advancement it is neither a necessary nor a sufficient element. It not necessary for technical advancement is an alternative. It is not sufficient, for not all economic significance rise to the level of invention. Only that economic significance which was not obvious to the person skilled in the art rises to the dignity of an invention.

So, if a product or process involves either a technical advancement or has economic significance or both, a further question is whether such a technical advancement or economic significance was not obvious to a person skilled in the art.

According to s. 2 (1) (ja) non-obviousness is only an element of the requirement of inventive step. Under Indian law inventive step and non-obviousness may not be considered as identical. For in addition to being non-obvious, the product or process must also be either a technical

advancement or have economic significance or both.

We may also use an Urdu couplet to illustrate the meaning of obviousness:

“*Hazaron Saal Nargis Apni BeyNoori Pey Rotee Hai*”

“*Badi Mushkil Sey Hota Hai Chaman Mein Deedawar Paida*”

Translated in English this couplet may basically mean:

“An eye shaped flower ‘beauty’ weeps for thousands of years¹⁷ on its blindness”

“A visionary is born in the world with great difficulty after a long time”

Nargis, is an eye shaped flower and has been used as a metaphor for human and his inability to see *Chaman* literally means garden and has been used as a metaphor for world. *Deedawar* though literally means any human having eyes but, in the couplet, it means a human having the ability to see the unseen by others. This couplet also underscores the point that ability to see does not occur without difficulty. Similarly, the scientists work for years to invent something. Lots of money is spent to bring about a single invention. Though there are serendipitous inventions, but they are few. It is the sustained and continuous perseverance by the scientists which gives the invention to the world.

Heidegger, a German Philosopher, wrote that the destiny of humanity is in bringing forth what is undisclosed.¹⁸ Patent law encourages this destiny of humanity for disclosing to the world what was undisclosed.

In short it may be stated that inventive step is accomplished when a non-obvious is made obvious to the world. This making may involve either a technical advancement or economic significance or both. To be precise, to be eligible for the grant of a patent a product or process or

17. The pace of invention and development in the contemporary world is much faster in the comparison to the first half of the twentieth century and before. In the latter half of the twentieth century and thereafter the pace of invention and development has been increasingly increasing. Nevertheless, it still takes time to make the unobvious obvious.

18. Martin Heidegger, “The Question Concerning Technology”, in Martin Heidegger, *The Question Concerning Technology and Other Essays* 3, 32 (William Lovitt trans., Garland Publishing Inc, New York, 1977)

both must have been made obvious to the world for the first time. It may be stated that if anyone thinking and working in a particular field of technology would have been able to do what the alleged inventor has done; the work of the alleged inventor does not involve an inventive step for it was obvious to everybody working in his field of technology. But if the persons working in his field of technology express surprise saying that we never thought like this, the work of the alleged inventor involves an inventive step.

In view of the above semantic and legal analysis, it may be concluded that the statutory text under clauses (1) and (ja) of s. 2 (1) of Act 1970 defining “new invention” and “inventive step” respectively are explicitly clear, unambiguous, and unequivocal as to the scope and difference between the two requirements. Following Part, therefore, seeks to develop the central argument of this article.

III. NOVELTY AND INVENTIVE STEP: JUDICIAL INTERPRETATION-CONSTRUCTION

As noted in Part II, basis of difference between the two requirements of novelty and inventive step is number of ‘prior art reference’. Single prior art reference negatives novelty. Multiple prior art references negative non-obviousness. Where it is alleged that the invention is anticipated by single prior reference, all the elements of the invention must be exactly present in the single prior art reference. Anticipation is to be determined on the date of filing of the complete specification. Anticipation for purposes of novelty does not mean substantial similarity between a single prior art and the alleged invention. The similarity between the two must be identical. In other words, if the single prior art reference would have been accessible to a person ordinarily skilled in the art, he would have done what the alleged invention is. This single prior art reference may be an old invention, an earlier patent, an earlier publication, an earlier use, or anything else forming part of the state of art or prior art. It may be noted, however, that generally, though not always, the prior art reference may be an earlier patent. To understand the meaning of novelty and non-obviousness it becomes necessary to understand the meaning of prior art reference, anticipation and person ordinarily skilled in the art. Now let us move to examine whether the Court read or misread the provisions relating to

novelty and inventive step. Text of s. 2 (8) of the Act of 1911 was interpreted in *Bishwanath Prasad* as follows:

“It is to be noted that unlike the Patents Act 1970, the Act of 1911 does not specify the requirement of being useful in the definition of ‘invention’. But Courts have always taken the view that a patentable invention, apart from being a new manufacture, must also be useful. The foundation for this judicial interpretation is to be found in the fact that Section 26(1)(f) of the 1911 Act recognizes lack of utility as one of the grounds on which a patent can be revoked.”¹⁹

Had the Court added the phrase ‘inventive step’ before the word ‘useful’ in the first and second sentence of above cited paragraph and mentioned s. 26(1)(e) of the Act of 1911 which recognizes lack of inventive step as a ground of revocation, then the interpretation by the Court would have been in accordance with the scheme of the Act of 1911. Approach of the Court gives an irresistible impression as if the requirement of ‘inventive step’ is specified by the Act in the definition of ‘invention’ for the Court instead of highlighting this aspect directly went on to observe as under:

“[T]o be patentable an improvement on something known before or a combination of different matters already known, should be something more than a mere workshop improvement; and must independently satisfy the test of invention or an ‘inventive step’. . . must produce a new result, or a new article or a better or cheaper article than before. . . in order to be patentable, the new subject matter must involve ‘invention’ over what is old.”²⁰

A reading of above observation reveals that improvement must be either an ‘invention’ or an ‘inventive step’. The above observation not only circuitous but also equates whole (invention) with its part (inventive step) at least in the legal sense. ‘Invention’ is whole. Patentable subject

19. *Supra* note 3 at 518(*Biswanath Prasad*).

20. *Ibid.*

matter, novelty, inventive step and utility are the four constituents of the whole called invention. It is trite in patent law that if the claimed invention is an invention in the patent law sense, the only logically valid and legally tenable sequitur is that the claimed invention is patentable. Declaring 'invention' as an alternative to 'inventive step' by using disjunction 'or' between the two expressions not only equates the whole with the part but also neglects the well-established distinction between the two making the bright line distinction opaque and murky. The Court further went on to observe as under:

“Whether an alleged invention involves novelty and an ‘inventive step’, is a mixed question of law and fact, . . . Whether the “manner of manufacture” patented, was publicly known, used and practiced (sic) in the country before or at the date of the patent? If the answer to this question is ‘yes’, it will negative novelty or ‘subject matter’.”²¹

Use of conjunction 'and' between 'novelty' and 'inventive step' also makes it clear that novelty and inventive step are not one but two distinct requirements. However, novelty and subject matter can never be an alternative to each other. The two are supplementary and complimentary to each other. Enquiry of novelty can begin only if the subject matter claimed is not excluded by patent law. In the same vein, the Court went on to observe as follows:

“The expression “does not involve any inventive step” used in Section 26(1) (e) of the Act and its equivalent word “obvious”, have acquired special significance in the terminology of Patent Law. The ‘obviousness’ has to be strictly and objectively judged.”²²

In the above paragraph the Court referred to the provisions of the Act of 1911 relating to revocation for lack of inventive step without explaining the distinction between 'novelty' and 'inventive step'. The Court may have clarified that novelty is a necessary condition but not a sufficient condition for grant or validity of a patent. The Court should have clarified that if the claimed invention is found to be novel, the next threshold

21. *Id.* at 519.

22. *Ibid.*

requirement is of inventive step which must be satisfied independently. Be that as it may, the Court went on to cite tests formulated by foreign courts to determine novelty and inventive step in the following words, “Another test of whether a document is a publication which would negative existence of novelty or an “inventive step. . .”²³ This observation of the Court cannot withstand the scrutiny of the text and scheme of the Act of 1911. If a document and a publication can negative both novelty and inventive step, then what is the difference between the two? If novelty and inventive step are same and one, then why the Act of 1911 had two separate clauses (d) and (e) under s. 26 (1)—clause (d) stipulating lack of novelty and clause (e) stipulating lack of inventive step—as separate and individually sufficient ground of revocation of patent? Clause (d) of s. 26 (1) read, “[T]hat the invention was not, at the date of patent, a manner of new manufacture or improvement”. Whereas, clause (e) of s. 26 (1) read, “[T]hat the invention does not involve any inventive step, having regard to what was known or used prior to the date of the patent”. Clause (a) uses indefinite article a before the words ‘manner of manufacture. It is a common knowledge of English Grammar that ‘a’ means one. On the other hand, provisions of s. 26 (1) (e) do not employ either a definite or indefinite article. Scope of clause (d) appears to be limited to a manner. Scope of clause (e) appears to be all-embracing and all-encompassing having regard to all known’s and all use from a manner or manners and from all sources. This should be been the semantic reading of the statutory text as it is. This manner of reading of statutory text may be described as misreading by the Court. Statutory text is unambiguously and unequivocally clear but the construction thereof appears to be confounding and opaque. Before parting with the judgment, the Court observed, “[T]he crucial test of the validity of a patent is whether it involves novelty and an inventive step?”²⁴ This observation is in accordance with the text and scheme of the Act of 1911.

In *Monsanto*, the Supreme Court relied on the provisions of the Act of 1970 though the “[P]atents in the present case were granted under the Indian Patents and Designs Act, 1911, i.e., before the Patents Act, 1970.”²⁵ The Court observed as under:

23. *Ibid.*

24. *Id.* at 529.

25. *Supra* note 4 at 649(*Monsanto*).

“Under Section 64(e) (*sic*), a patent may be revoked if the invention. . . is not new, . . . Under Section 64(1)(f), a patent may be revoked if the invention. . . is obvious or does not involve any inventive step. . .”²⁶

In the above paragraph, the Court did not go into the distinction between the scope of two clauses. Expression ‘publicly known’ appears in both the clauses. It is trite in statutory interpretation-construction that the field occupied by different provisions are different. The Court once did not say anything as to the distinction between novelty and inventive step rather it decided not to decide this question and observed as under:

“We do not think that it is necessary for us to go into the various questions of law. . . The questions were no doubt interesting and arose for the first time. But we desire to keep our interest purely academic and within bounds. So, we do not pronounce upon those questions.”²⁷

It is submitted that the Court instead of declaring such questions as ‘purely academic’ should have decided them for in the words of the Court itself these questions “arose for the first time”. *Monsanto* was the second case involving the questions of novelty and inventive step in the thirty seventh year of the establishment of the Supreme Court. After decades, a case involving substantive question of patent law has reached the Court, the Court could have utilized the opportunity to clarify law on the point. The Court, however, decided not to decide these questions.

The first case and perhaps the only case involving substantive question of patent law under the Act of 1970 is *Novartis* decided by the Supreme Court on April 01,2013. Not only the final outcome in this case but also the proceedings before various fora including the Supreme Court were widely reported in newspaper and intensely debated in media and blogs. Decision in this case definitely generated heat. Did it generate light proportionate to the heat is an open question? The Court seemed to have taken a wrong turn in the beginning of the judgment by pronouncing death of s. 2 (1) (1) of the Act of 1970 by not including it in the questions

26. *Ibid.*

27. *Id.* at 650.

formulated by it. This article argues that the Court formulated the questions that it should not have formulated. It is also argued in this article that the Court should have formulated the question of novelty as per the provisions of s. 2 (1) (l) instead of raising doubt as to purpose and usefulness thereof. The two general questions and one specific question as formulated by the Court are reproduced as under:

“What is the true import of Section 3(d) of the Patents Act, 1970? How does it interplay with Clauses (j) and (ja) of Section 2(1)? Does the product for which the appellant claims patent qualify as a “new product” which comes by through an invention that has a feature that involves technical advance over the existing knowledge and that makes the invention “not obvious” to a person skilled in the art?”²⁸

The question how does Section 3 (d) interplay with clause (1) of Section 2 (1) was not asked by the Court despite the mention of “new product” in the third question. Not only that the Court ignored the provisions of s. 2 (1) (l) but went on to observe as under:

“How is it that some of the provisions of the Act apparently seem to be of no use or purpose, e.g. Sections 2 (1) (l) and 2 (1) (ta)? Why is it that some of the crucial provisions in the Act appear to be wanting in precision and clarity?”²⁹

The Court should have answered the above two questions particularly if it was underplaying the questions by using “apparently” and “appear”. Further, if some of the provisions in the Act are crucial but appear to be wanting in precision and clarity, then it was incumbent on the Court to construct those provisions so as to make their meaning precise and clear. The Court, however, decided to raise the questions but to leave them undecided. It may be argued that the Court did not declare the provisions of ss. 2 (1) (l) and 2 (1) (ta) of no use or purpose (otiose) and it merely raised questions about them. This argument, however, will fall on all four because of sound of silence as to relevance of s. 2 (1) (l) which was

28. *Supra* note 5 at 118(*Novartis*).

29. *Id.* at 126–127.

inserted for the first time by 2005 amendment to define “new invention”. Neglect of s. 2 (1) (l) is not merely a neglect of definition of new invention but is a neglect of one complete Chapter VI of the Act of 1970 which deals with “Anticipation”—the heart and soul of s. 2 (1) (l).

It is not *res integra* that every word of statute has meaning and purpose. There is a very strong presumption against surplusage of statutory text. The Supreme Court of India has time and again reiterated the weight of this presumption as under:

1. “It is not a sound principle of construction to brush aside words in a statute as being inapposite surplusage, if they can have appropriate application in circumstances conceivably within the contemplation of the statute.”³⁰
2. “It is incumbent on the court to avoid a construction, if reasonably permissible on the language, which would render a part of the statute devoid of any meaning or application.”³¹
3. “In the interpretation of statutes, the court always presumes that the Legislature inserted every part thereof for a purpose and the legislative intention is that every part of the statute should have effect.”³²
4. “The Legislature is deemed not to waste its words or to say anything in vain and a construction which attributes redundancy to the Legislature will not be accepted except for compelling reasons.”³³
5. “It is a cardinal principle of construction of statute that when language of the statute is plain and unambiguous, then the court must give effect to the words used in the statute.”³⁴

Had the Court referred to the decisions mentioned in the above paragraph, it would not have raised questions as to the purpose and use of s. 2 (1) (l) of the Act of 1970. *Novartis* was a Division Bench decision. Judicial discipline mandates a smaller bench to follow and be bound by a decision of larger bench. There are plenty of decisions

30. *Aswini Kumar Ghose v. Arabinda Bose*, AIR 1952 SC 369, 377

31. *Rao Shiv Bahadur Singh v. State of U.P.*, AIR 1953 SC 394, 397

32. *J.K. Cotton Spinning & Weaving Mills Co. Ltd. v. State of U.P.*, AIR 1961 SC 1170, 1174

33. *Ghanshyam Das v. Regional Assistant Commissioner, Sales Tax*, AIR 1964 SC 766

34. *Union of India v. Hansoli Devi*, [2002] Supp. 2 SCR 324

since 1952 of the Supreme Court including of Constitution Benches for the well-established and consistent proposition that every word of the statute has purpose and use. The observation of the Court as to s. 2 (1) (1) of Act of 1970 is therefore clearly *per incuriam*. Since the Court has expressed doubt as to the purpose and use of the statutory text, it was necessarily expected of the Court to give sound and convincing reasons to rebut the presumption against statutory surplus age. The Court, however, raised the doubt and moved on.

Be that as it may, in *Novartis*, the Court held and found that the claimed invention was known substance from the Zimmermann Patent itself.³⁵ This holding is legally sound but logically invalid for Zimmermann Patent is single prior art reference which directly falls under clause (1) of s. 2 (1) and not under clause (ja) of s. 2 (1). Since the Court has raised doubt as to the existence of clause (1) of s. 2 (1), it was impossible for it to rely on it. The Court concluded that the claimed product “[F]ails both the tests of invention and patentability as provided under clauses (j), (ja) of Section 2 (1) and Section 3 (d) respectively.”³⁶ This conclusion could have been very easily reached by just asking the question: whether the claimed invention is anticipated by Zimmermann Patent. There was no need to ask the second as reproduced above. There was no need to ask the question whether the invention involves an inventive step. The first general question and the third specific question were sufficient for the decision in *Novartis*. The second general question seems to irrelevant and unnecessary for purposes of decision in *Novartis*. *Novartis* did not involve s. 2 (1) (ja) enquiry at all. If the claimed invention is hit by s. 3 (d), other questions of novelty, inventive step and utility etc. do not or at least should not arise. If the claimed invention is hit by s. 2 (1) (1), question of s. 2 (1) (ja) does not arise or at least should not arise.

In view of the above analysis, it may be concluded that the trilogy of decisions of the Supreme Court have not been only silent as to distinguishing features of novelty and inventive step but have also confounded the two features making their distinction opaque.

35. *Supra* note 5 at 177 (*Novartis*).

36. *Id.* at 187

IV. CONCLUSION

It is a well-established principle that the Supreme Court has the power to declare the constitutional or statutory provisions as unconstitutional. It is also well-established that the Court may read down a constitutional or statutory provision. This judicial power is popularly known as judicial review. Defining feature of judicial exercise of power is reasonableness and fairness of the judicial reasoning. In a constitutional democracy, judicial review amongst other thing is a counter-majoritarian mechanism. Nonetheless, the wisdom of the Parliament manifested in s. 2 (1) (l) of the Act of 1970 should not have been declared “without any purpose and of no use” by just raising a question and that too without assigning any plausible judicial reason about its redundancy or otiose. The Court should have given sound legal reasoning to rebut presumption against surplus age of statutory text. Can it be said that the Parliament made otiose provisions in defining “new invention”? If so, what about the requirement of novelty? Can it be said that where a claimed invention involves an inventive step, it need not be new? If so, why clause (j) of s. 2 (1) employs the term “new” as a qualifier to the words “product or process” along with the requirements of “inventive step”. Had the Court also formulated the question as “How does s. 3 (d) interplay with clauses (j), (l) and (ja) of Section 2(1)?” problem of misreading the statutory text or deliberate neglect thereof would not have arisen. Approach of the Court may be described as an example of judicial overreach at best or misreading of the statutory text at worst. Further, neglect of established principle of presumption against surplus age of statutory text reiterated by the Supreme Court in a number of decisions including those of Constitution Benches clearly renders the reading of s. 2 (1) (l) of Act of 1970 *per incuriam*.

In view of the above semantic and legal analysis, it may be claimed that the central argument of the article provides a plausible and convincing explanation for the proposition that statutory definitions of new invention (novelty) and inventive step as given under s. 2 (1) (l) and s. 2 (1) (ja) of the Patents Act, 1970 and provisions of the Indian Patents and Designs Act, 1911 are explicit and clear but relevant judicial decisions have been either silent as to distinguishing features of novelty and inventive step or have confounded the two making their distinction opaque.

