



2025:DHC:11876



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

% *Judgment delivered on: 24.12.2025*

+ **C.A.(COMM.IPD-PAT) 10/2025**

**NIPPON STEEL CORPORATION**

.....Appellant

Versus

**THE CONTROLLER OF PATENTS**

.....Respondent

**Advocates who appeared in this case**

For the Appellant : Mr. Debashish Banerjee, Ms. Vaishali Joshi  
& Mr. Tanveer Malhotra, Advocates.

For the Respondent : Ms. Nidhi Raman, CGSC with Mr. Om Ram  
& Mr. Mayank Sansanwal, Advocates.

**CORAM:**

**HON'BLE MR. JUSTICE TEJAS KARIA**

## **JUDGMENT**

**TEJAS KARIA, J**

### **INTRODUCTION**

1. The present Appeal has been filed under Section 117A of the Patents Act, 1970 (“**Act**”) against order dated 27.11.2024 (“**Impugned Order**”) passed by the Respondent in Indian Patent Application No. 202117029591 (“**Subject Application**”).



2. The Subject Application was filed on 01.07.2021 under Section 15 of the Act by the Appellant at the Patent Office at Delhi (“**Patent Office**”) for an invention titled “*HIGH-STRENGTH STEEL SHEET AND MANUFACTURING METHOD OF HIGH-STRENGTH STEEL SHEET*” (“**Subject Patent**”).

### **FACTUAL MATRIX**

3. The Appellant had submitted the Subject Application Form 1 executed by the inventors, namely, Mr. Hiroyuki Kawata, Mr. Eisaku Sakurada, Mr. Kohichi Sano (“**Mr. Sano**”) and Mr. Takafumi Yokoyama. The inventor, Mr. Sano had passed away and the Appellant had submitted a duly stamped declaration by the Appellant enclosing the ‘Basic Regulations regarding Intellectual Property’ (“**Basic Regulations**”), which stipulates that the inventions conceived by the employees of the Appellant stand assigned to the Appellant.

4. Thereafter, a request for examination was filed on 21.11.2022 wherein the Appellant requested the Respondent to have the Subject Application examined under Sections 12 and 14 of the Act. A First Examination Report dated 12.12.2022 (“**FER**”) was issued by the Respondent.

5. A response to all the technical and formal objections raised in the FER along with an amended set of claims was filed by the Appellant on 01.05.2023 (“**Reply**”). In the Reply to the FER, the Appellant informed the Respondent that the proof of right requirement as under Section 7(2) of the Act had been met by the Appellant by filing the duly executed Form 1 signed by the inventors, Mr. Hiroyuki Kawata, Mr. Eisaku Sakurada and Mr. Takafumi Yokoyama.



6. A hearing notice was issued by the Respondent on 16.02.2024 (“**Hearing Notice**”), scheduling the hearing on 07.03.2024. The Appellant then filed a request for adjournment on 28.02.2024 for the hearing to be held on 07.03.2024. An extended hearing notice was then issued by the Respondent on 29.02.2024, scheduling the hearing on 04.04.2024 (“**Hearing**”).

7. The Hearing under Section 14 of the Act was duly attended by the Appellant’s authorized representative and presented oral arguments. Appellant filed a petition under Rule 138 of the Patent Rules, 2003 (“**Rules**”) for extension of one month for filing written submissions under Rule 28(7) of the Rules. Pursuant thereto, the Appellant filed the post-hearing written submissions dated 14.05.2024 (“**Written Submissions**”). Along with the Written Submissions, the Appellant also filed an Affidavit along with the Employer-Employee Agreement dated 01.07.2021 (“**EE Agreement**”) between the Appellant and Mr. Sano to demonstrate that, as per Mr. Sano’s contractual obligations, the Intellectual Property Rights (“**IPR**”) arising from his employment would vest in the Appellant.

8. The Respondent refused the Subject Application *vide* Impugned Order holding that the ‘proof of right’ under Section 7(2) of the Act with respect to the inventor, Mr. Sano was not met by the Appellant and that the Appellant failed to satisfy the requirements under Sections 6(1)(b) and 6(1)(c) of the Act.

9. Being aggrieved by Impugned Order, the present Appeal has been filed.



## **SUBMISSIONS ON BEHALF OF THE APPELLANT**

10. The learned Counsel for the Appellant submitted that at the time of filing the Subject Application, the Appellant filed Form 1 executed by 3 of the 4 inventors, Mr. Hiroyuki Kawata, Mr. Eisaku Sakurada and Mr. Takafumi Yokoyama. Thus, along with Form 1, the Appellant filed proof of right in the form of a declaration enclosing the Basic Regulations on the Appellant's letter head. The said declaration states that as per the internal corporate policy of the company, all intellectual property, including patents, developed by or originating from employees of the company, on account of or incidental to work assigned to them by the company, vests with the company under the provisions of Article 8 of the Basic Regulations.

11. The learned Counsel for the Appellant submitted that to meet the requirements raised by the Respondent and comply with Section 7(2) of the Act, the Appellant also filed an EE Agreement along with an English translation, signed by Mr. Sano. A combined reading of the declaration and EE Agreement clearly indicates that Mr. Sano was, in fact, an employee of the Appellant and as per the internal corporate policy, any work done by him in the course of the employment, automatically stood assigned to the Appellant.

12. The learned Counsel for the Appellant further submitted that the Respondent has erroneously stated in the Impugned Order that an employment contract cannot be considered as valid proof of right. Moreover, the said statement goes against the established practices being followed by the Respondent, wherein employment contracts are considered as valid evidence of proof of right, where providing a fresh assignment deed / executed application Form 1 is not feasible due to the particular facts and



circumstances of the case. This is further evidenced by the fact that previously the Appellant had filed six different patent applications having the same four inventors. The Form 1 in the said batch of applications was also supplemented with the same declaration and EE Agreement that is filed in the present case. Those applications now stand granted with the proof of right requirement having been met with the same documents as those filed with the Subject Application. The details of the above patent applications are reproduced hereunder:

Sl. No.	Patent No.	Application No.	Date of Patent	Date of grant	PCT Application No.	Int.
1.	468369	2020170-40760	30/03/2018	10/11/2023	PCT/JP2018/013846	
2.	483849	202017-040952	30/03/2018	15/12/2023	PCT/JP2018/013915	
3.	503443	202117-044574	08/04/2020	25/01/2024	PCT/JP2020/015765	
4.	520800	2020170-40423	30/03/2018	06/03/2024	PCT/JP2018/013791	
5.	547359	2021170-28891	01/12/2018	08/08/2024	PCT/JP2018/045547	
6.	550472	2020170-41001	30/03/2018	18/09/2024	PCT/JP2018/013678	

13. The learned Counsel for the Appellant submitted that Section 7(2) of the Act stipulates that “*where the application is made by virtue of an assignment of the right to apply for a patent for the invention, there shall be furnished with the application, or within such period as may be prescribed after the filing of the application, proof of the right to make the application.*” Thus, the declaration filed by the Appellant along with the Form 1 as well as the EE Agreement clearly establishes the Appellant’s ‘proof of right’ by highlighting the appropriate transfer of IPR created during the tenure of an employee with the Appellant. Therefore, the documents filed along with the Subject Application as well as during the prosecution proceedings satisfy the statutory obligations under Section 7(2) of the Act. The learned Counsel for the Appellant relied upon the decision by the erstwhile Intellectual Property Appellate Board (“**IPAB**”) in *NTT DoCoMo Inc. v. The Controller of*



*Patents and Designs*, OA/39/2011/PT/CH vide Order No. 252/2013 while making the above submission.

14. The learned Counsel for the Appellant submitted that the Respondent has placed reliance on Section 6(1)(c) of the Act. Section 6(1)(c) of the Act pertains to the right of a legal representative of any deceased person to make an application for a patent, if the deceased person was entitled to make an application immediately before his death. As per the EE Agreement, declaration and internal corporate policy of the Appellant, the IPR created by the employee in due course of their employment vests in the company. Therefore, as per Section 6(1)(b) of the Act, the Appellant is entitled to apply for a patent and Section 6(1)(c) of the Act relied upon by the Respondent has no applicability to the present case. The learned Counsel for the Appellant relied upon the decision in *NEC Corporation v. The Assistant Controller of Patents and Designs*, 2023 SCC OnLine Mad 7894 while making the above submission.

15. The learned Counsel for the Appellant further submitted that the Respondent has placed reliance on Section 68 of the Act which pertains to assignment of a granted 'patent'. Since the present case pertains to a patent application that has not yet been granted, Section 68 of the Act is not applicable to the facts of the present case.

16. The learned Counsel for the Appellant relied on the *European Patent Guide*, Provision 5.11.004, which allows any kind of written evidence suitable for proving the transfer. There is a similar provision under Chapter No. 0300 of the *Manual of Patent Examining Procedure, (MPEP) Ninth Edition, (Revision 01.2024) of the United States Patent and Trademark*



*Office (USPTO)* which allows assignment for an assignee and employment agreement as acceptable documentary evidence of ownership.

17. Accordingly, the Impugned Order is liable to be set aside, and the Appeal shall be allowed.

### **SUBMISSIONS ON BEHALF OF THE RESPONDENT**

18. The learned CGSC for the Respondent submitted that the Appellant did not inform the Delhi Patent Office about the demise of the inventor, Mr. Sano till the Hearing before the Respondent. The said fact was disclosed only through Written Submissions whereas the Appellant gave a declaration to the US Patent Office about the demise of the inventor, Mr. Sano on 24.05.2021, well before the filing of the Subject Application. Further, the Appellant has never produced / filed the Death Certificate in respect of the deceased inventor, Mr. Sano to that effect till date.

19. The learned CGSC for the Respondent submitted that the Act does not provide for any provision to substantiate the validity of an EE Agreement, without any specific IPR Transfer Clause for a particular invention, the same cannot be considered as a valid proof of right under Section 7(2) of the Act that too in the case of a deceased inventor. In the absence of a signed assignment or a clear contractual stipulation for the transfer of the Subject Patent, the employer cannot assert ownership over the IPR related to these inventions. Therefore, the EE Agreement, without the explicit IPR Transfer Clause, cannot be considered as the Appellant's right to file the Subject Application under Section 7(2) of the Act.

20. The learned CGSC for the Respondent further submitted that the EE Agreement, as submitted by the Appellant, does not contain any specific provision related to IPR Transfer Clause. Further, there is no mention of



Article 8 of the Basic Regulations in the EE Agreement. The EE Agreement cannot be regarded as a valid proof of right or assignment for a patent application due to its general nature as potential ambiguity and failure to comply with the specific legal requirements outlined under the Act. It is submitted that in the absence of a provision addressing the ownership of IPR within the EE Agreement indicates that the employer does not have a legally established claim to the particular invention developed by the inventor, Mr. Sano during his employment with the Appellant.

21. The learned CGSC for the Respondent submitted that the Appellant has relied upon a copy of the Declaration filed before the US Patent Office, and that Declaration also did not have the signature of the inventor, Mr. Sano. The Declaration merely contains a declaration that the inventor is deceased. The acceptance of any document for the Appellant's right to file for the Subject Patent, varies from country to country. In India, mere declaration of the death is not sufficient, and the Appellant is required to produce the assignment from the Legal Representative of the deceased inventor under Section 6(1)(c) of the Act.

22. The learned CGSC for the Respondent relied upon the decision which had emphasized the strict requirement of 'proof of right' in *NTT DoCoMo Inc.* (*supra*), wherein it was held that a 'proof of right' document was required, regardless of the priority patent application having been granted.

23. The learned CGSC for the Respondent further submitted that the Appellant relied upon the provision of Form 1, which reads as under:

*“(In case the applicant is an assignee: the inventor(s) may sign herein below or the applicant may upload the assignment or enclose the assignment. With this application for patent or send the assignment by post/electronic transmission duly authenticated within the prescribed period)”*



24. The learned CGSC for the Respondent submitted that a valid proof of right or assignment executed on or before the date of filing of the Subject Application was required to be submitted by the Appellant in accordance with the provisions of the Act. Further, no assignment from the Legal Representative of the inventor, Mr. Sano was submitted along with a valid proof of death as per Section 68 of the Act.

25. The learned CGSC for the Respondent submitted that under Section 43(1)(b) of the Act, a patent can be granted only when the application has not been found to be in contravention of any of the provisions of the Act. Since the Appellant failed to satisfy the objections raised under Sections 6(1)(b), 6(1)(c) and 7(2) of the Act, the Subject Application was correctly rejected by the Respondent.

26. Accordingly, the present Appeal is liable to be dismissed, and the Impugned Order be upheld.

### **ANALYSIS AND FINDINGS**

27. The main issue arising for consideration in the present Appeal is whether the EE Agreement and Declaration would be sufficient to establish 'proof of the right' under Section 7 of the Act.

28. As per the FER issued by the Respondent for the Subject Application, one of the objections raised was with respect to lack of 'proof of the right' for one of the inventors, Mr. Sano. Thereafter, the Appellant filed Written Submissions along with an affidavit with respect to EE Agreement between the Appellant and Mr. Sano, to meet the requirements of 'proof of the right' under Section 7 of the Act. Under the Hearing Notice, the Respondent raised objections regarding the non-patentability under Section 3 of the Act and lack of inventive step under Section 2(1)(ja) of the Act. The Respondent also



raised the objection regarding the assignment / proof of right which is reproduced hereunder:

*“Formal Requirement(s)*

*1. The submitted affidavit and employer-employee agreement (without signature of the inventor Kohichi SANO), dated 01/07/2021, from the Applicant have been duly reviewed. FER objection regarding Assignment/Proof of right by one of the inventor (Kohichi SANO) have been sustained. The Applicant has not provided the relevant sections or rules from the Indian Patent Act that could validate the employer employee agreement as an acceptable form of assignment to meet the requirements under Section 7(2). According to Section 7(2) of the Patent Act, when an application is made based on an assignment of the right to apply for a patent, proof of the right to make the application must be furnished either with the application itself or within the prescribed period following the filing of the application.*

*Moreover, as per section 6(1)(b), a patent application can be filed by the applicant only if there is an assignment from the inventors regarding the right to make such an application.*

*Additionally, Para 12(i) of Form 1 explicitly states that if the applicant is an assignee, the inventor may sign Form-1, or the applicant can upload the assignment.*

*Therefore, considering the aforementioned points, for an applicant to be an assignee, valid Proof of right or assignment (executed on or before the date of filing), is required to be filed in accordance with the provisions of the Indian Patent Act.”*

29. Thereafter, the Appellant submitted the Written Submissions and Reply with respect to the objection of assignment / proof of right is reproduced hereunder:

*“1. The Applicant submits that the inventor “Kohichi SANO” was the employee of the Applicant’s company who is now deceased. In this regard, the Applicant submitted a declaration mentioning that Mr. Sano was the employee of the Applicant’s company along with a notarized copy of Basic Regulation regarding Intellectual property which is binding on all the employees of the Applicant’s company which clearly shows that right for filing a patent Application lies*



*with the Applicant of the present application to comply with the requirement of proof of right. It is submitted that this is proof enough of the assignment of rights. Without prejudice, the Applicant has the honour to submit a copy of written employment Agreement along with English translation thereof for the inventor “Kohichi Sano” which clearly shows that said inventor was employee of the Applicant’s company and all the IP rights lies with the Applicant’s company. Further, the Applicant also submits a copy of the declaration filed in corresponding US Application to support the submissions. Learned Controller is humbly requested to take the above on record and withdraw the objection.”*

30. The learned Controller issued the Impugned Order and rejected the Subject Application on the ground of the failure to satisfy the objection raised with respect to assignment / proof of the right. The reasoning provided by the learned Controller under the Impugned Order is reproduced hereunder:

*“12. In the submission, in contrast to the requirement raised in the hearing notice, the Applicant has **not provided the relevant sections or rules from the Indian Patent Act that could validate the employment contract as an acceptable form of assignment to meet the requirements under Section 7(2).***

*13. **The assignment or proof of the right to apply for a patent in India is a foundational aspect of the patent application process.** It establishes clear ownership, ensures compliance with legal requirements, facilitates the transfer of rights, and protects the interests of all parties involved. Without proper documentation of the right to apply, the entire patent process could be jeopardised, leading to legal and commercial uncertainties. Therefore, it is essential for applicants to ensure that all assignments and proofs are meticulously documented and submitted in accordance with the law.*

*14. In India, **an employment contract can not be considered as a valid proof of right or assignment for a patent application due to its general nature, potential for ambiguity, and failure to meet the specific legal requirements set out in Indian patent law. To ensure clear and enforceable patent rights, it is necessary to execute a specific assignment deed that explicitly transfers the rights to the***



***invention from the inventor to the particular patent applicant.*** This document should be properly recorded with the Indian Patent Office to secure the patent's validity and protect it from future legal challenges.

15. Further, a new fact brought into the notice of the office on 14/05/2024, that the inventor "**Kohichi SANO**" is now deceased. After the filing of instant application (01/07/2021), this fact was never revealed explicitly to the office. But, the Applicant has **not provided a valid proof of death** (eg. death certificate or other valid documents) for the same. Moreover, there was **no mention or submission regarding the legal representative** (of the deceased inventor) who immediately before his/her death was entitled to make the instant application as per the provisions under section 6(1)(c) of the Patent Act.

16. The **provisions related to Proof of Right or assignment** mentioned in the Indian Patents Act and Rules are as follows:

**Section 7(2) of the Patents Act reads –**

Where the application is made by virtue of **an assignment of the right to apply for a patent for the invention**, there shall be furnished with the application, or within such period as may be prescribed after the filing of the application, proof of the right to make the application.

**Section 6(1)(c) of the Patents Act reads –**

1) Subject to the provisions contained in section 134, an **application for a patent for an invention** may be made by any of the following persons, that is to say,—

(c) by the **legal representative of any deceased person** who immediately before his death was entitled to make such an application.

**Paragraph 12 (i) of Form 1 reads-**

(In case the applicant is an assignee: the inventor(s) may sign herein below or the applicant may upload the assignment or enclose the assignment with this application for patent or send the assignment by post/electronic transmission duly authenticated within the prescribed period).

**Additionally, Section 68 of the Patents Act reads –**



*An assignment of a patent or of a share in a patent, a mortgage, licence or the creation of any other interest in a patent **shall not be valid unless the same were in writing** and the agreement between the parties concerned is reduced to the form of a document embodying all the terms and conditions governing their rights and obligations and duly executed.*

*Therefore, **for an applicant to be an assignee**, valid **Proof of right or assignment** executed on or before the date of filing of a particular patent application, is required to be submitted in accordance with the provisions of the Indian Patent Act. It is to be noted that as the patent agent is well aware of the provision mentioned in Section 6(1)(c) and for the Instant Application, as one inventor is deceased, no assignment from the legal representative along with a valid proof of death of the inventor was submitted.*

*17. **The employment contract cannot be regarded as valid proof of right or assignment for a patent application due to its general nature**, potential ambiguity, and failure to comply with the specific legal requirements outlined in Indian patent law [**refer to sections 6(1)(b), 7(2), and 68 of the Patents Act, as amended**]. The absence of a provision addressing the ownership of IP rights within the employment contract indicates that the employer does not have a legally established claim to the particular inventions developed by the inventor viz. **Kohichi SANO** during his/her employment. Consequently, in the absence of a signed assignment or a clear contractual stipulation for the specific invention, the employer cannot assert ownership over the IP rights related to these inventions. Further, there is no mention of Article 8 of Basic Regulation, in the employment contract. Therefore, the employment contract, without explicit clause of IP right transfer, can not be considered as the Applicant's right to file the instant patent application under Section 7(2) of the Patents Act*

*18. Applicant has also submitted a copy of the declaration filed in corresponding US Application in that also, there is no signature of the inventor **Kohichi SANO**. The said declaration merely contains a declaration that the inventor is deceased. The acceptance of any document for the applicant's right to file for the patent, varies from country to country. In India, mere declaration of deceased is not sufficient and the applicant is required to produce the assignment*



*from the legal representative of the deceased inventor under section 6(1)(c) of the Patent Act.*

*19. The strict requirement of 'proof of right' was also reiterated by the Intellectual Property Appellate Board (IPAB) in NTT Docomo v. The Controller of Patents and Designs [Order No.252 of 2013], wherein it was held that a 'proof of right' document was required, regardless of the priority patent application having been granted.*

*20. The oral arguments and written submissions provided by the applicant have been duly considered and thoroughly reviewed. However, without prejudice, while the hearing submissions have made efforts to address other requirements, the fundamental requirements of the Patents Act, 1970, specifically under sections 6(1)(b), 6(1)(c) and 7(2), have not been met.*

*21. Furthermore, under section 43(1)(b), **a patent can be granted only** when "the application has not been found to be in contravention of any of the provisions of the Patents Act". In view of the above-mentioned pending objections, the application may not be considered 'not to be contrary to any of the provisions of the Act'. Hence, the application is not considered in order for grant due to pending objections.*

*22. Accordingly, taking into account the aforementioned facts, the submissions made by the agents during the hearing, the subsequent written submissions, and the unresolved official requirements, it is concluded that application no. 202117029591, filed on 01/07/2021, does not meet the requirements of The Patents Act, 1970 (as amended). Therefore, pursuant to the provisions of Section 15 of The Patents Act, 1970 (as amended), I, the undersigned, refuse to grant a patent for the instant application no. 202117029591."*

31. The Impugned Order provides the following reasoning for the rejection of the Subject Application:

- i. In India, an employment contract cannot be considered as a valid proof of the right or assignment for a patent application under Sections 6(1)(b), 7(2), and 68 of the Act. The affidavit and the EE Agreement is without signature of the inventor, Mr. Sano.



- ii. Further, a new fact was brought to the notice of the Patent Office by way of the Written Submissions that the inventor, Mr. Sano is now deceased. After the filing of Subject Application, this fact was never revealed explicitly to the Patent Office.
- iii. The submitted copy of the declaration filed in the corresponding US Patent Application is without the signature of the inventor, Mr. Sano, and cannot be accepted in India.

32. To meet the requirement of the Section 7(2) of the Act, the Appellant filed the document with respect to declaration made at the time of filing of the Subject Application which is reproduced hereunder:

12. DECLARATIONS:	
i) Declaration by the inventor(s):	
I/We, the above named inventor(s) is/are the true & first inventor(s) for this invention and declare that the applicant(s) herein is/are my/our assignee or legal representative.	
a) Date <u>May 31, 2021</u>	a) Date <u>5<sup>th</sup> 26. 2021</u>
b) Signature <u>Hiruyuki Kawata</u>	b) Signature <u>Eisaku Sakurada</u>
c) Name - Hiruyuki KAWATA	c) Name- Eisaku SAKURADA
a) Date-----	a) Date <u>6. 6. 2021</u>
b) Signature-----	b) Signature <u>Takafumi Yokoyama</u>
c) Name - Kohichi SANO	c) Name- Takafumi YOKOYAMA
ii) Declaration by the applicant(s) in the convention country	
I/We, the applicant(s) in the convention country declare that the applicant(s) herein is/are my/our assignee or legal representative:	
.....	
iii) Declaration by the applicant(s):	
I/We, the applicant(s) hereby declare(s) that-	
<input checked="" type="checkbox"/> I am/we are in possession of the above-mentioned invention. <input checked="" type="checkbox"/> The provisional/complete specification relating to the invention is filed with this application. <input checked="" type="checkbox"/> The invention disclosed in the specification uses the biological material from India and the necessary permission from the competent authority shall be submitted by me/us before the grant of patent to me/us. <input checked="" type="checkbox"/> There is no lawful ground of objection to the grant of the Patent to me/us. <input checked="" type="checkbox"/> I am/we are the true & first inventor(s). <input checked="" type="checkbox"/> I am/we are the assignee or legal representative of true & first inventor(s). <input checked="" type="checkbox"/> The application or each of the applications, particulars of which are given in Para- 8 was the first application in convention country/countries in respect of my/our invention(s).	



33. Additionally, the Appellant has also submitted a copy of EE Agreement that was entered between the Appellant and the deceased inventor, Mr. Sano. The EE Agreement was entered into on 31.03.2007. The EE Agreement is signed by guarantor, Mr. Yoshinibu Sano. The original copy of the EE Agreement is in Japanese and a translated copy of the same in English is also filed by the Appellant. A copy of the EE Agreement and its translated copy is reproduced hereunder:

社 員 契 約 書

本契約の成立を証し、本証書三通を作成し、甲、乙、丙それぞれ記名押印の上、各その一通を保存する。

新日本製鐵株式会社(甲)は、佐野幸一 (乙)および身元保証人 佐野億延(丙)と次の通り契約を締結する。

平成 19年 3月 31日

甲 東京都千代田区大手町 2丁目 6番 3号  
新日本製鐵株式会社  
代表取締役社長 三村 明夫

乙 静岡県 沼津市 区江原 7丁目 / 番 号  
佐野幸一

丙 静岡県 沼津市 区江原 7丁目 / 番 号  
佐野億延

第1条 甲は乙を社員として雇用する。

第2条 乙の賃金、労働時間その他の労働条件は甲の定める社員賃金規則、社員就業規則および関係規定による。

第3条 乙は甲の定める社員就業規則その他の諸規則に従い、誠実に勤務に服することを約する。

第4条 丙は乙の身元保証人として乙が本契約に違反し、または業務に関し故意もしくは重大な過失により、甲に損害を与えた場合は乙と連帯して、損害賠償の責に任ずる。

第5条 本契約の効力発生日は、平成19年4月1日とする。



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### Written Employment Agreement

April 1, 2007.

NIPPON STEEL CORPORATION (hereinafter referred to as Employer) concludes an agreement with Kohichi SANO (hereinafter referred to as Employee) and Yoshinobu SANO, the guarantor, (hereinafter referred to as Guarantor), as follows.

In proof of the agreement, three copies of this certificate shall be prepared and each of Employer, Employee and Guarantor shall sign and affix a seal thereto and preserve one copy thereof.

March 31, 2007

Section 1 Employer hires Employee as an employee.

Employer

Section 2 Wages, working hours, and other working conditions of Employee shall be in accordance with the Employee wage regulations, the Employee work regulations, and relevant regulations set forth by Employer.

6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo  
NIPPON STEEL CORPORATION  
Representative director and President Akio Mimura

Section 3 Employee promises to work in good faith in accordance with the Employee work regulations and other regulations set forth by Employer.

Employee

7-1, Ebara-cho, Numazu-shi, Shizuoka  
Kohichi SANO

Section 4 Guarantor shall be, as the guarantor of Employee, jointly and severally liable with Employee for damages caused to Employer due to violation of the Agreement or intentional or gross negligence in connection with the work by Employee.

Guarantor

7-1, Ebara-cho, Numazu-shi, Shizuoka  
Yoshinobu SANO

Section 5 The effective date of the Agreement shall be

34. It is important to note that there are four inventors in this invention, and all of them are employees of the Appellant. Apart from the deceased inventor, Mr. Sano, the other three inventors are Mr. Hiroyuki Kawata, Mr. Eisaku Sakurada and Mr. Takafumi Yokoyama.

35. Further, the Appellant has filed the Declaration regarding assignment of intellectual property along with the provisions of the Basic Regulations to govern the status of the intellectual property of work done by the employees of the Firm during the period of employment.

36. Form 1 filed along with the Subject Application does not contain the signature of the deceased inventor, Mr. Sano. Further, the Appellant has also



declared that they are not the first and true inventors and they are the assignee / legal representative of the true inventors.

37. The Respondent has in the Impugned Order relied upon Section 68 of the Act, which provides as under:

*“68. An assignment of a patent or of a share in a patent, a mortgage, licence or the creation of any other interest in a patent shall not be valid unless the same were in writing and the agreement between the parties concerned is reduced to the form of a document embodying all the terms and conditions governing their rights and obligations and duly executed.”*

38. As per Section 68 of the Act an assignment of a patent / a share in a patent / a mortgage / licence / the creation of any other interest in a patent is possible once the patent is granted. Hence, this provision is not applicable in the present case as the patent is yet to be granted. This is a case of assignment of the right to apply for the patent and not assignment of patent.

39. Accordingly, Section 7(2) of the Act will be applicable, which provides that if the application is made by virtue of an assignment of the right, the applicant needs to furnish the ‘proof of the right’. Section 7(2) of the Act is reproduced hereunder:

*“(2) Where the application is made by virtue of an assignment of the right to apply for a patent for the invention, there shall be furnished with the application, or within such period as may be prescribed after the filing of the application, proof of the right to make the application.”*

40. Section 6 of the Act provides that an assignee of the true inventor is entitled to apply for a patent. Section 6 of the Act is reproduced hereunder:

*“Section 6: Persons entitled to apply for patents*

*(1) Subject to the provisions contained in section 134, an application for a patent for an invention may be made by any of the following persons, that is to say,—*



(a) by any person claiming to be the true and first inventor of the invention;

(b) by any person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application;

(c) by the legal representative of any deceased person who immediately before his death was entitled to make such an application.

(2) An application under sub-section (1) may be made by any of the persons referred to therein either alone or jointly with any other person.”

41. The Appellant has filed the Subject Application by way of assignment of right and has to furnish the ‘proof of the right’ to file the Subject Application.

42. As per Section 6 of the Act if the assignee files the application, Section 7(2) of the Act requires the applicant to provide ‘proof of the right’ to make the application within the prescribed period. Section 6(1)(b) of the Act does not bar the assignee from filing the Employment Agreement entered between the Employer (assignee) and Employee (inventor) to comply with the requirement of ‘proof of the right’ under Section 7(2) of the Act.

43. The learned Counsel for the Appellant referred to the Provision 5.11.004 of *European Patent Guide*, which allows any kind of written evidence suitable for proving the transfer. The relevant provision is reproduced hereunder:

“5.11.004

**Any kind of written evidence suitable for proving the transfer is admissible. This includes formal documentary proof such as the instrument of transfer itself (the original or a copy thereof) or other official documents or extracts from them, provided that they**



**immediately verify the transfer.** *The signatures of the parties to the contract must appear on the documents submitted as evidence. Where the request is filed electronically with the EPO (see point 4.3.001), the assignment document may, instead of handwritten signatures, bear qualified electronic signatures as defined in the Notice from the EPO dated 22 October 2021. Where the original document is not in one of the EPO's three official languages, the EPO may require a certified translation in one of those languages. **A declaration signed by the parties to the contract verifying the transfer is also sufficient,** e.g. EPO Form 5055, which is available on the EPO website (epo.org).”*

44. There is similar provision under Chapter No. 0300 of the *Manual of Patent Examining Procedure* (*supra*), which allows assignment for an assignee and employment agreement as acceptable documentary evidence of ownership. The relevant extract is reproduced hereunder:

*“Applicants other than the inventor should record the documentary evidence of ownership (e.g., assignment for an assignee, employment agreement for a person to whom the inventor is under an obligation to assign the invention) before payment of the issue fee.”*

45. Therefore, Employment Agreement entered between the Employer (assignee) and Employee (inventor), which is duly signed by the deceased inventor, is an acceptable document to comply with the requirement of ‘proof of the right’ under Section 7(2) of the Act.

46. Accordingly, the observation in the Impugned Order that the EE Agreement cannot constitute valid ‘proof of the right’ or assignment for the Subject Application due to its generic nature, inherent ambiguity, and non-compliance with the mandatory requirements prescribed under Sections 6(1)(b), 7(2), and 68 of the Act is not correct.

47. The EE Agreement bears the duly executed signature of the deceased inventor, Mr. Sano and has been further attested by a guarantor, thereby



lending additional legal sanctity to the document. When construed harmoniously with the accompanying declarations, the EE Agreement sufficiently establishes and addresses the ownership of IPR vested thereunder.

48. Procedural laws are intended to subserve, and not to subvert, the cause of justice. Procedural laws are an instrument that facilitates rather than obstructs adjudication. In the present case, the non-compliance with a procedural requirement is not frustrating. In *Kailash v. Nanhku & Ors.*, (2005) 4 SCC 480, the Supreme Court held that:

*“All the rules of procedure are the handmaid of justice. The language employed by the draftsman of processual law may be liberal or stringent, but the fact remains that the object of prescribing procedure is to advance the cause of justice. In an adversarial system, no party should ordinarily be denied the opportunity of participating in the process of justice dispensation. Unless compelled by express and specific language of the Statute, the provisions of the CPC or any other procedural enactment ought not to be construed in a manner which would leave the court helpless to meet extraordinary situations in the ends of justice....”*

49. Further, the acceptance of Appellant’s six different patent applications having the same four inventors, which were also supplemented with the same declaration and EE Agreement shows that the Respondent had applied the correct procedure in other identical applications.

50. Hence, the reasons provided in the Impugned Order are not sustainable and the Impugned Order is liable to be set aside in the peculiar facts and circumstances of the present case.



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51. Accordingly, the present Appeal is allowed, and the Impugned Order is set aside. The Respondent is directed to examine the Subject Application being No. 202117029591 and pass appropriate directions for grant of the Subject Patent in accordance with law.

52. A copy of the present Order directed to be sent to the Office of the Controller General of Patents, Designs and Trade Marks on the e-mail address – llc-ipo@gov.in, for necessary compliance.

**TEJAS KARIA, J**

**DECEMBER 24, 2025**

*'KC' / 'N'*