

Comments on "The Patents (Amendment), Rules, 2015"

November 25, 2015

AIPPI JAPAN

We welcome the Indian Government's efforts to develop and promote the fields of intellectual property through amendment to the Patents Rules. More user-friendly rules (to applicants and right-holders) will facilitate the use of the IP systems in your country and encourage the creation of intellectual property. Furthermore, such improvement will enhance Indian people's awareness of IP, which in turn will lead to better understanding of its value and a more favorable environment where proper respect is paid to other people's IP rights in your country.

We appreciate this opportunity to put forward our comments on "DRAFT RULES: The Patents (Amendment), Rules, 2015" as follows:

(1) We strongly oppose to the revision to Rule 24B sub-rule (4) (see *1 below).

<Reason>

By this revision to Rule 24B(4) in CHAPTER 4 of the Patents Rules 2003, the period provided in this sub-rule (hereinafter "Acceptance Period") would be shortened from 12 to 4 months, according to our understanding. However, even under the current rule, the period of 12 months is fairly often exceeded, and in many of such cases, the applicant has already responded to the first examiner report but the Office has not made a final decision yet. Therefore, the applicant is not sure if their application is "granted" or "rejected", and he/she needs to check the status by filing a request for hearing to the Controller through his/her agent. If the Acceptance Period is shortened to 4 months, such a situation will occur much more frequently and the applicants will bear a heavier burden. Without an increase in the number of examiners and Controllers, we do not think that examination will be expedited by the shorter Acceptance Period. For this reason, this proposed revision is not beneficial to applicants.

**1: 24B (4) The time for putting an application in order and under section 21 shall be four months from the date on which the first statement of examination is issued to the applicant to comply with the requirement.*

(2) We oppose to the introduction of Rule 24B sub-rule (5) (see *2 below).

<Reason>

According to our understanding, this proposed revision would make it possible to extend the above-mentioned Acceptance Period by two months. Currently, however, there are not many patent applications that are put in order for grant within four months after the issuance of the first examination report. Therefore, this revision would significantly increase the burden on many applicants because it would become necessary for them to file a request for this extension and pay additional cost in many cases. If there are so many requests for the extension, the Patent Office will also bear a heavy burden because they will need to upgrade their request-processing system and increase the number of staff.

**2: 24B (5) The time for putting an application in order under section 21 as prescribed under sub rule (4) may be further extended for a period of two months on request in form 4 for extension of time along with prescribed fee is made to the Controller before the expiry period specified under sub rule(4).*

(3) You should reconsider the introduction of Rule 24B sub-rule (6) (see *3 below).

<Reason>

Our understanding is that this sub rule is intended to specify a period within which the Controller must "dispose of" each application. Such a specified period will be helpful because it will allow applicants to know approximate time required for disposal by the Controller. However, currently the Controller is taking much more time, much more than six months, to dispose of an application. We hope you will reconsider whether six months is a realistic period for this purpose.

Also, what is meant by "dispose of" is not clear as this term is not defined in the patent act or rules.

It is not clear what penalty is there if the Controller does not "dispose of" the application in the said six months period. In Nitto Denko Corp v. Union of India (WP 3742/2013 and WP 3756/2013) non-adherence of the Patent Office to the time schedule provided under Rule 24B of the Patents Rules, 2003 has been clearly established.

**3: 24B (6) The controller shall dispose of the application made under sub-rule (1) within a period of six months from the date of receipt of the last reply to the first examination report or within a period of six months from the last date to put the application in order for grant under section 21 of the Act, whichever is earlier.*

(4) Concerning Rule 24C, we are basically in favor of the introduction of expedited examination. However, you should reappraise the "fees," the "three requirements," and the "limit on the number of requests to be received" as explained below:

(4)-1. If the fees are so high, we do not think many applicants will use expedited examination.

<Reason>

According to this fee schedule, many Japanese companies would need to pay INR 250,000/- as the fee for expedited examination. This fee is about ten times higher than the fee for ordinary examination (INR 20,000/-), which is extremely high compared to other countries. For example, no fee is charged for expedited examination in Japan and Europe.

(4)-2. Compared to expedited examination in other countries, the three requirements (see *4 below) are so strict that we do not think many applicants will use expedited examination.

In Japan, for example, the requirements for expedited examination include: the applicant has already filed a foreign application; the claimed invention has already been worked in any country; etc. Therefore, the Japanese expedited examination system is very accessible.

*4:

- (a) that the applicant in the corresponding international application has designated Indian Patent Office as the International Searching Authority and/or International Preliminary Examining Authority under Rule 19A and 19F as the case may be; or*
- (b) the applicant or his assignee or prospective manufacturer (licensee) has already started manufacturing of the invention in India; or*
- (c) that the applicant or his assignee or prospective manufacturer (licensee) undertakes*

that manufacturing the invention shall commence within two years from the date of grant of patent, if the same is granted

(4)-3. You should set clearer rules for limiting the number of requests to be received (see *5 below).

We understand that, in accordance this sub-rule, when the Controller limits the number of requests, a notice will be published in the official journal. However, this is not enough for foreign applicants. We hope you will also provide means for foreign applicants to more easily check whether or not the number of requests is being limited. For example, it would be a good idea to set up a section about this matter in the CGPDTM's website and update the relevant information therein each month, on the same day. It will be helpful if foreign applicants can easily find out e.g. which technical fields are covered by the individual Controllers, and when the limit will be lifted (e.g. after the turn of the year).

**5: (13) Notwithstanding anything contained in sub-rule (1) and (2), the Controller may limit the number of requests for expedited examination to be received during the year by way of a notice to be published in the official journal for such expedited examination.*

(5) In relation to a request for expedited examination filed by meeting the requirement (c), you should set a provision that allows a manufacturing plan to be revised after the grant. We also hope some remedy will be available in the event that it becomes very difficult to achieve the plan.

<Reason>

Without such a remedy or provision as described above, the following situation will not be prevented: If the applicant uses expedited examination by meeting the requirement (c) (shown below) and gets a patent registration, but his/her factory is devastated by a natural disaster e.g. a flood, then he/she will not be able to manufacture the invention and his/her patent may be revoked on the grounds of "false information or representation" under Rule 24D(2).

(c) that the applicant of his assignee or prospective manufacturer (licensee) undertakes that manufacturing the invention shall commence within two years from the date of grant of patent, if the same is granted

(6) We ask for correction/clarification of unclear parts in the fee schedule of Table 1 (pages 15 to 23).

<Reason> There are many incomplete or illegible parts (e.g. entries 9, 9A, 13, 14, 14B), and we do not understand the information very well.

In addition, we would like to point out that there is a figure "2750000" in Table 1 (entry 14A on page 17) as a fee for physical filing. We think this is an error because it is too high. We hope you will check and correct it.

(7) We are in favor of the introduction of a provision for a refund of examination fee (Form29A).

<Reason>

This is a reasonable system from the applicant's point of view. However, how and when the fee will be refunded is not clear.

(8) In relation to submission of the report on the working of patented invention (Form27), you should reduce the burden on patentees and licensees.

<Reason>

Patentees and licensees have to bear an excessive burden of checking the status of the working every year to collect information needed for preparation of their reports and bear considerable cost for submission thereof through their agents, especially if they have a large number of patents. For this reason, we hope you will reduce the burden of submitting the report on the working of invention. The following are examples of possible measures for the reduction:

- 1) Make it necessary to submit the report at least once every three years.
- 2) Exempt a patentee from the obligation to submit the report after he/she states his/her intention to license his/her rights to someone else.
- 3) Exempt a patentee/licensee from the obligation to submit the report until he/she starts working his/her patented invention if he/she has not worked it yet at the time of his/her

first report.

4) Abolish this report.

(9) In relation to disclosure of information (Form3), you should reduce the burden on applicants.

<Reason>

This provision requires the applicant to provide detailed information on the same (substantially the same) application filed outside India within 6 months after the date of filing or the issuance of such a direction from the Controller. According to our understanding, the intention of this provision is to offer benefits to applicants, such as adequacy of examination by referencing to such detailed information.

A failure to disclose information under this provision may be considered as a ground for opposition (Section 25 of the Patent Act) and revocation (Section 64). However, despite such strict rules, applicants are even required to provide some information that does not contribute to a reduction in the burden and other information that can be obtained by the examiners themselves. Since such an excessive burden on applicants represents a departure from the original purpose of this provision, we hope you will revise Form3 to reduce the burden.

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