



**FICCI's Suggestions  
on  
Draft Patents (Amendment)  
Rules, 2015**

**INDUSTRY CONCERNS AND SUGGESTIONS**

## **Draft Patents (Amendment) Rules, 2015**

The Patent Rule, 2003 came into force on 20<sup>th</sup> May 2003. Since then, it has been amended several times; in 2005, 2006, 2012, 2013 and again in 2014. The important features of the 2005 and 2006 amendments were related to reduce time lines and a revised fee structure, which was based on the specification size and total number of claims. The 2012 amendments were primarily on the criteria and structure for the patent agent examination. The 2013 amendments made necessary provisions associated with various procedures as Indian Patent office for the first time was recognised as International Examining and Searching authority for patents. The major changes in 2014 amendment were the increased fee, introduction of “small entity”, to which a reduced fee was applicable, different fee schedule for the e-filing and offline filing and insertion of new forms 28 and 7A.

The present draft rules 2015, on many fronts, are certainly a welcome steps and would prove to be helpful in accomplishing the objective of developing an efficient patent filing and examination procedure. However, there are some concerns that have been raised by industry, which are discussed in this representation submitted by FICCI. It is hoped that these industry suggestions would be duly considered for their appropriate incorporation in “The Patents (Amendment) Rules, 2015”.

## **Recommendations for Consideration by the Government**

### ***Rule 6 sub-rule (1)***

*In sub-rule (1), the words “or courier service” wherever they occur shall be omitted.*

FICCI comments: It is proposed that omission of “courier service” from the provision should be reconsidered. Courier service is recognised as an important and convenient mode of transmission by the patent applicants while furnishing necessary filings, documents etc. before the Patent Office. In case “courier service” would be omitted the only option left with applicants would be India Post. To send the documents through India post a person needs to visit a post office unlike the courier services which collect consignments from the client’s premises. It would be very inconvenient especially in cases where handling and transmittal of documents to patent offices occurs frequently and in bulk quantities. Further, it would be almost impossible for the foreign applicants to send documents directly to Indian patent offices. Thus, there appears to be no apparent and valid reason for exclusion of “courier services” from the provision.

### ***Rule 6 sub-rule (1A)***

*“(1A) Notwithstanding anything contained in sub rule (1), a patent agent registered with the patent office shall send all documents only by electronic transmission duly authenticated.*

*‘Provided that scanned copy of any original document to be submitted shall also be transmitted electronically’*”

FICCI comments: It is proposed that mandatory requirement of e-filing of all documents only by the registered patent agent (*and not by the applicant*) should be made optional. Under the current scenario, over dependence on the electronic medium is not a feasible option for patent agents since the provision is silent on adequate safeguards in the event of unsuccessful e-filing.

Secondly, the proviso seems to suggest that original document is required to be filed physically also. Further, the first schedule provides both options for payments, i.e. e-filing as well as physical filing. It would be useful if necessary clarification is provided on these provisions.

#### **Rule 6 sub-rule (2)**

*“(2) Any written communication addressed to a patentee at his postal address or e-mail, as it appears on the register of patents or at his address for service given under rule 5, or to any applicant or opponent in any proceedings under the Act or these rules, at the postal address or e-mail, appearing on the application or notice of opposition, or given for service, shall be deemed to be properly addressed.”;*

FICCI comments: In order to reach out to patentees in an effective manner, it is proposed that all the existing means of communication should be mandatory and not remain optional. It is recommended that the patent office must exhaust all the mediums of communication like post, email, SMS, telephone etc. in order to communicate with patentee.

#### **Rule 6 sub-rule (6)**

*“(6) Without prejudice to sub-rule (5), the Controller may condone the delay in transmitting or resubmitting a document to the patent office in case of war or natural calamity declared as national emergency by the Government of the country where the applicant resides or submits to the Controller: provided that the applicant shall provide evidence by way of a certificate/notification from the competent authority of the Government of the country to the effect that the situation has occurred which was of such severity that it disrupted the normal communication in that area and relevant action was taken by the applicant as soon as reasonably possible within one month from the date when such natural calamity or war had ceased to exist:*

*Provided further that the delay condoned by the Controller shall not exceed the period for which the national emergency was in force.*

FICCI comments: It is proposed that the provision should clearly describe the definitions and scope of terms such as war, natural calamity and/or insert the term *Force majeure*.

**Rule 7 sub-rule (2) clause (a)**

*“(a) The fees, payable under the Act or the rule may be paid at the appropriate office either in cash or through electronic means or may be sent by bank draft or banker’s cheque payable to the Controller of Patents and drawn on a scheduled bank at the place where the appropriate office is situated and if the draft or banker’s cheque is sent by post, the fees shall be deemed to have been paid on the date on which the draft or banker’s cheque has actually reached the Controller.”*

FICCI comments: It is proposed that the provision should incorporate cheque as one of the modes of payment in addition to bank draft and banker’s cheque. Exclusion of cheque will pose unnecessary hindrance especially in deadline matters for patentees. Additionally, the rule must consider the contingency of postal delay in the delivery of the cheque, draft or banker’s cheque. It is further proposed that enormous hike of 12.5% in examination fee is a matter of concern and should be revised appropriately.

**Rule 7 sub-rule (4)**

*“Fees once paid in respect of any proceeding shall not ordinarily be refunded irrespective of whether the proceeding has taken place or not:*

*Provided that, if the Controller is satisfied that during the online filing process, the fee has been paid more than once for the same proceeding, additional fee shall be refunded:*

*Provided further that, if any amount in excess of requisite fee is paid for any proceeding, then, the same shall not be refunded”.*

FICCI comments: It is recommended that the Rule should be amended and provision should be made to refund all the payments made in excess through all the modes of payment, without limiting it to payments made more than once during the online filing process only.

It is proposed that the provision must permit fees to be refunded or to be paid progressively through the process. It is recommended that the Patent Office could provide patent applicants the facility to set up depository accounts. Having this facility may make it much more easier for the patent offices to either recover extra fees or refund extra payments in a convenient way.

**Rule 7 sub-rule (4A)**

*“Notwithstanding anything contained in sub-clause (4), the fee paid for request for examination may be refunded to the extent prescribed in the First Schedule, on an*

*application made under sub rule (1A) of rule 24B and consequently, such request for examination shall be deemed to have not been filed.”*

FICCI comments: It is a welcome move to provide that the fee paid for RFE may be refunded to the extent of 90% of fee paid for RFE on an application made under sub rule (1A) of Rule 24B in Form 29A. However, it is noted that the new Form 29A introduced for filing request for withdrawal of the refund of fees under sub-rule (1A) of rule 24B is missing from the draft Patents (Amendment) Rules, 2015. It is urged that this discrepancy must be addressed accordingly.

***Rule 13 sub-rule (7) clause (b)***

*“The abstract shall contain a concise summary of the matter contained in the specification and the summary shall indicate clearly the technical field to which the invention belongs, technical advancement of the invention as compared to the existing knowledge and principal use of the invention excluding speculative use(s) and where necessary, the abstract shall contain the chemical formula, which characterises the invention.”*

FICCI comments: With reference to CGPDTM public notice CG/Public Notice/PO/2012/15 dated July 2, 2012 which mandates the applicant filing PCT National phase applications which do not claim priority of any PCT National Phase application filed previously in India are not required to file abstract any more, it would be useful if necessary clarification is provided.

***Rule 13 sub-rule (9)***

*“If the invention as disclosed in the specification uses the biological material from India, the applicant shall provide a declaration in India in Form 1 that the necessary permission from the competent authority shall be submitted before the grant of patent.”*

FICCI comments: This is a new insertion to the existing Rules mandating declaration in India in Form 1 that the necessary permission from the competent authority shall be submitted before the grant of patent if the invention uses the biological material from India. However, it is pertinent to note that existing Form 1 already requires such declaration to be made therein. Therefore, a clarity is required in this respect.

***Rule 13 sub-rule (10)***

*“In case the applicant has not submitted necessary permission from the competent authority within the period as prescribed under rule 24B and 24C to put the application in order for*

*grant under section 21 of the Act, the Controller may pass an appropriate order after providing opportunity under section 15.”*

FICCI comments: It is proposed that the provision should be reconsidered since it may not be possible for the applicant to obtain the necessary permission from the competent authority by the new proposed timeline of 4 months extendable by 2 months from the date of issuance of FER starting from the date of filing the application.

***Rule 14 sub-rule (4)***

*When a retyped page or pages incorporating amendments are submitted, the corresponding earlier page shall be deemed to have been superseded and cancelled by the applicant or his authorized agent.*

FICCI comments: It is proposed that the provision should be reconsidered in light of the fact that the applicant may amend the specification and pursue what has been deleted or cancelled earlier in the same or subsequent applications.

***Rule 24B sub-rule (1A)***

*“A request for examination filed under sub-rule 1 may be withdrawn by the applicant in Form 29 before the application is referred to the examiner by the Controller under clause (i) of sub-rule (2) of rule 24B, and such request for examination shall be deemed to have been not filed.”*

FICCI comments:The proposed new rule 24B(1A) provides an option to applicant to withdraw the application from examination even after the RFE (Request for examination) was filed. However, it might be practically difficult for the applicant to ascertain as to exactly when the application is to be referred to the examiner by the Controller. Therefore, an online dynamic utility could be devised that notify the exact current status of the application as whether the application has been referred to the examiner or not. Such a dynamic system would enable an applicant to time the withdrawal of RFE.

***Rule 24B sub-rule (2) clause (i)***

*“Where the request for examination has been filed under sub-rule (1) and the application has been published under section 11A, the Controller shall refer the application, specification and other documents related thereto to the examiner and such reference shall be made in order in which the request is filed”*

FICCI comments: The substituted new rule 24B(2)(i) does not stipulate any specific timeline when the Controller shall refer the application to the examiner for examination. A specific

timeline limit would be helpful for the applicant to exercise the option of withdrawal of RFE under Rule 24B(1A).

**Rule 24(B) sub-rules (4) & (5)**

*Sub-rule (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 and"*

*Sub-rule (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 a request in form 4 for extension of time along with the prescribed fee is made to the Controller before the expiry period specified under sub-rule (4)"*

FICCI comments: The time-limit for the applicant following the issuance of first examination report (FER)/first statement of examination/first statement of objection to provide his reply to the objections has been reduced significantly from 12 months to 4 months, which is further extendable by 2 months only on a request. This new provision is not reasonable and practical. The time-limit of 4 months for the applicant to provide his reply should be revised and suitably extended so that the applicant is not deprived of prosecuting the application and provide a satisfactory reply to the objections in order to establish the case on merits and get the application granted.

**Rule 24(C) Expedited examination of applications**

*"An applicant may file a request for expedited examination in Form 18A along with the fee as specified in the first schedule only by electronic transmission duly authenticated within the period as prescribed in rule 24B on the following grounds namely*

- (a) That the applicant in the corresponding international application has designated Indian Patent Office as the International Search 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"*

FICCI comments: In brief the new rule 24(c) provides an option to applicants for opting expedited examination of application on limited three grounds only and, therefore, imposes unnecessary limitation on the applicants. The proposed rule 24C should be amended and should not be restricted to limited grounds available to applicants to apply for expedited examination of the applications.

The first ground that the corresponding international application has designated Indian Patent Office as the ISA and/or IPEA does not seem to be fair. The applicant should be free to choose his preferred ISA/IPEA and it should not be the eligibility criteria for the expedited examination request.

The second and third grounds that the invention covered under the application either already has started manufacturing in India or it shall commence within two years from the date of grant of patent do not seem practical and reasonable for multiple reasons. For example, in sectors like pharmaceuticals it takes years to get necessary clearances and regulatory approvals to launch products in the market while the patent applications are filed even much before the drug enters into pre-clinical stages. It would not be feasible for those sectors to start the manufacturing of the product within two years of grant of the patent. Therefore, to make the option of expedited examination available to all the sectors of industry, there should be provisions wherein the count of two years should start from getting the marketing approval and not from the grant of patent itself.

Further, applicants should not be discriminated on the basis of place of manufacturing the patented invention and, therefore, the condition of local manufacturing requirement should be done away with.

It is also submitted that the expedited examination and "Make in India" are two separate agendas. Therefore, these should not be mixed with each other in order to avoid unnecessary legal complexities. At the time of filing the request for expedited examination an applicant might consider the option of manufacturing in India, but in later stages he/she/it might be forced to change the decision for reasons and circumstances beyond their control. Therefore, it should not be a ground for revocation of the patent under the proposed *section 24 (D) (2)*. In this respect, it is suggested that the global best practices followed for expedited examinations can be reviewed and a similar model can be developed and adopted.

***Proviso to rule 24(C)***

*provided that in a case where such request for expedited examination is filed under grounds (b) or (c) the application shall be considered only after fulfilment of each of the following conditions, namely:*

- i. that the applicant shall, at the time of filing a request for the expedited examination, submit a corroborating statement from a scheduled bank or authorized financial institution or certified auditor in India as an evidence in support of the possession of required capital as specified by the Central Government and facilities required to manufacture or undertake the manufacture of the invention in India in required quantities as specified by the Central Govt.; and*



- ii. *that in case of a prospective manufacturer who would be the licensee, the applicant shall submit the licence agreement entered into by the applicant or his assignee with the licensee; and*
- iii. *the claim or claims of the complete specification for which the request is made shall not be more than 20 claims and relate to a single invention, or to a group of inventions linked so as to form a single inventive concept; and*
- iv. *the applicant or his assignee or prospective manufacturer (licensee), shall submit the affidavit in Form 27A at the time of filing the request for expedited examination to the effect that –*
  - a) *The manufacturing of the invention in India has already started or shall commence within two years from the date of grant of patent, if granted;*
  - b) *Capital and facilities as specified by the Central Government are available for manufacturing the invention in India in required quantities, and*
  - c) *The applicant or his assignee or prospective manufacturer (licensee) obligates himself, herself or itself to manufacture the patented invention in India in required quantities.*

FICCI comments: The imposed conditions like filing of the bank statement to showcase that the applicant is in the possession of required capital to manufacture the invention at the time of filing for expedited examination, submitting the patent licence agreement and filing of an affidavit in the proposed form 27A [which is missing in the draft Patents (Amendment) Rules, 2015] puts unnecessary burden on the applicant at the time of filing the request for expedited examination. These pre-conditions might not even be feasible to be fulfilled by many industries like pharmaceutical wherein the applications are filed years ahead. Many drugs don't get the marketing approvals while these patent applications covering these drugs might get granted. Due to these uncertainties it might not be possible for applicants to file these statements, license agreements etc. at the time of filing the request for expedited examination. Therefore, to make the option of expedited examination available to all the industry sectors, these pre-conditions should be removed or amended.

One more inconsistency observed between Rule 24C and entry no. 14A of the First Schedule is that on one hand Draft Rule mandates request for expedited examination only by electronic transmission whereas entry no. 14A also provides possibility of physical filing.

Further, a typo error observed in entry 14A of the First Schedule is that the prescribed fee payable by a large entity for physical filing of expedited examination request is mentioned to be INR 27,50,000/- and not the predicted INR 2,75,000/-.

**Rule 24(C) point (13)**

*“(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.”*

FICCI comments: In addition to publishing the number of applications eligible for expedited examination in the official journal, it is recommended that an online dynamic utility should be devised to reflect the status of available slots for choosing the expedited examination option. It would help the applicant to be aware of the current number of expedited examinations filed at IPO. Once all the slots are finished, expedited examinations requests should be stopped automatically.

**Rule 24(D) sub-rule (1) and (2)**

***Opposition proceedings and consequences of false representation***

*“(1) The relevant provisions in the Act, and the rules made thereunder, for pre-grant and post-grant opposition proceedings shall be applicable mutatis mutandis, as the case may be, for processing an application for which the request for expedited examination has been filed.*

*(2) Any false Information or false representation furnished by the applicant or his assignee or prospective manufacturer (licensee) for filing the expedited examination and thereafter, or for obtaining the patent by availing the expedited examination facility and not complying with the conditions as prescribed under the Act and the rules made thereunder after the grant of patent, may cause revocation, if granted, under the relevant provisions of the Act.”*

FICCI Comments: The section imposes penalty of revocation of the patent where the request for expedited examination of application furnished any false information or representation. In this respect, first of all, it is recommended that the scope of false information or representation should be defined which could be considered as a ground for revocation of patent. Moreover, it should be noted that The Patent Rules cannot supersede the Statute “The Patent Act, 1970” in which there is no provision for revocation of patent based on false information or representation furnished while making an expedited examination request. Insertion of a new rule, which does not find a support from the statute, is unconstitutional in nature. It is, therefore, recommended that the rule should be reconsidered and amended accordingly wherein the penalty could be of administrative nature with an option of rectification of the same.

**Entry 14A of “The First Schedule”: Fee schedule for expedited examination**

FICCI comments: The proposed fee structure for the expedited examination request under rule 24(C) in the entry 14A of “The First Schedule” is on the higher side and need to be reconsidered and reduced.

**Rule 55 sub-rule (4)**

*“(4) On receiving the notice under sub-rule (3), the applicant shall, if he so desires, file his statement and evidence, if any, in support of his application within three months from the date of the notice with a copy to the opponent.”*

FICCI comments: Pre-grant oppositions are not inter-parte proceedings. Therefore, it should not be a mandatory requirement to provide the copy of statement and evidence to the opponent by the applicant.

***Rule 135 sub-rule (1)***

*“The authorization of an agent for the purposes of the Act and these rules shall be filed in Form 26 or in the form of a power of attorney at the time of filing of the application/documents or within a period of three months from the date of filing of such application/document, failing which no action shall be taken on such application/documents for further processing.”*

FICCI comments: In the current prevalent practice, there is no timeline for filing a power of attorney. The proposed amendment would make it onerous for the applicants, particularly foreign applicants, to file the Power of Attorney at the time of filing of the application itself or within a period of 3 months from the date of filing of the application. It is recommended that the proposed amendment should be revisited.

***The first schedule – Entry 1 (iii) Maximum capping fee for natural person of Rs. 32,000/-(e-filing) or Rs. 35,200 (physical filing) for sequence listing of nucleotide and or amino acid.***

FICCI comments: While it is a welcome initiative to put maximum limit of the fee payable for sequence listing of nucleotide and or amino acid, the prescribed maximum limit of Rs. 32,000/- for natural person is on the higher side. It is recommended that the fees to be reduced from current Rs.32,000 to a maximum of Rs. 15,000.

***Revised Form 27***

FICCI comments: The new Form 27 has been modified by putting the requirements like whether the invention is manufactured in India or it is imported, whether the licensee is exclusive or non- exclusive; details of products commercialized by utilizing the patent etc. Further, the substituted Form 27 requires it to be signed by patentee/licensee only.

It is recommended that there should not be a distinction between the local manufacturing vs import for the purpose of commercial working of the invention. It should not be mandatory to disclose whether a licence is exclusive or non-exclusive. Further, it may be difficult to obtain signatures of patentee/licensee every year, particularly in case of foreign applicants. Hence, the agent of the patentee should be allowed to sign Form 27 as is the existing provision.

**Contact FICCI IPR Division**

***Mr. Dipankar Barkakati***

Additional Director & Head IPR & CASCADE

E: dipankar.barkakati@ficci.com

***Mr. Vivek Singh***

Senior Assistant Director - IPR

E: vivek.singh@ficci.com

***Ms. Vedika Sidhu***

Research Associate

E: Vedika.sidhu@ficci.com

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