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15 March 2018

Dr. W. M. Dhumane and Dr. Usha Rao
Government of India
Office of The Controller General of Patents, Designs & Trade Marks
Boudhik Sampada Bhavan
S.M. Road, Antop Hill
Mumbai-400 037, India

VIA EMAIL ONLY (cgoffice-mh@nic.in; wm.dhumane@nic.in; drusharao.ipo@nic.in)

**Re: Working of Patents Under the Patents Act, 1970 (as amended)
No.CG/Meeting Circular-DIPP/2018/14**

Dear Dr. Dhumane and Dr. Rao:

Intellectual Property Owners Association (IPO) appreciates the opportunity to respond to the request for comments dated 3 January 2018 by the Office of The Controller General of Patents, Designs & Trade Marks regarding the working of patents in the Patents Act 1970 (as amended).

IPO is an international trade association representing companies and individuals in all industries and fields of technology who own, or are interested in, intellectual property rights. IPO's membership includes about 200 companies and more than 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members. IPO membership spans over 30 countries. IPO advocates for effective and affordable IP ownership rights and offers a wide array of services, including supporting member interests relating to legislative and international issues; analyzing current IP issues; providing information and educational services; and disseminating information to the public on the importance of IP rights.

We suggest the removal of the working requirement and its supporting statement for the benefit of domestic and foreign owners of Indian patents alike. Although one policy position might be that the requirement exists to encourage commercialization or to prevent the frivolous assertion of a patent by an abusive non-practicing entity, IPO believes such a policy does little to influence commercialization as commercialization is ultimately driven by market considerations. Further, documentation in support of the working requirement requires the public disclosure of confidential business information that is detrimental to the interests of the patent owner — and failure to submit a “working” statement can result in harsh civil and criminal penalties. IPO suggests removing the working requirement altogether from existing law.

Although we suggest Form-27 should be withdrawn, below we address the issues identified in the orders by the High Court of Delhi: Lack of clarity in Form-27 and non-compliance by patentees/licensees of Form-27.

First, any Form-27 should be amended to remove the “value” portion of the requirement related to providing the “quantum” and “value” of the patented products manufactured in India and imported from other countries. Further, for the remaining portion of the requirement, *i.e.*, for the quantum, the requirement should be satisfied by completing one of a set of prescribed numerical ranges (for example: less than ___; between ___ and ___; greater than ___) for the “quantum” as opposed to a precise unitary number. This approach helps alleviate patentees’ concerns where precise financial figures are not available or are subject to confidentiality obligations, while also providing the Office with a tangible indication of the extent of the patent being worked in India. Furthermore, licenses often cover multiple patents related to a certain technology field. Under such arrangements, the individual value of a patent is oftentimes not available to the patentee. Therefore, providing numerical ranges for “quantum” of the patented products manufactured in India and imported from other countries and not requiring exact value figures would contribute to a better and more holistic assessment of the extent of a package of patents being worked in India, and would also reduce associated administrative burdens.

Second, the requirement of disclosing information regarding the extent to which the public requirement has been met and reasonable pricing should be removed. This information is generally subjective and it is very difficult to identify an amount supported by objective data.

Third, our current understanding is that Form-27 does not require disclosure of license terms, but we wanted to make clear that we believe any requirement to disclose the terms of the license/sublicense, beyond identifying licensees/sub-licensees and working information, would create substantial issues for licensors and licensees. Patent license terms are often highly confidential to protect the interests not only of the patent owner, but also of the licensee (which is often a domestic company).

Fourth, Rule 131 of the Patent Rules of India provides that “[t]he statements shall be furnished by every patentee and every licensee.” The word “and” should be changed to “or”, as it would be redundant to have the same information furnished by both patentee and licensee, leading to unnecessary administrative burdens.

For the reasons discussed above, IPO respectfully requests removal of the working requirement. To the extent that the working requirement and accompanying working statement continue to be required, IPO urges adoption of the above-mentioned changes to Form-27.

We again thank the Office of The Controller General of Patents, Designs & Trade Marks for permitting IPO to provide comments and would welcome any further dialogue or opportunity to provide additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Lauroesch", written in a cursive style.

Mark Lauroesch
Executive Director