



28 June 2019

Shri Sushil K Satpute
Director, Department for Promotion of Industry and Internal Trade
Ministry of Commerce and Industry
Government of India
Udyog Bhawan, New Delhi-110011
India

VIA EMAIL ONLY (sushil.satpute@nic.in)

Re: Comments on Patents (Amendment) Rules, 2019

Dear Director Satpute:

Intellectual Property Owners Association (IPO) appreciates the opportunity to comment on India's Patents (Amendment) Rules, 2019 (the "Rules").

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 ("IP") rights. IPO's membership includes about 200 companies and close to 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.

IPO has previously submitted comments advocating for the removal of the working requirement and its supporting statement for the benefit of both domestic and foreign owners of Indian patents. We still believe it would be best to eliminate the working requirement and the statement. Nonetheless, below we address draft changes found in the Rules, noting changes that IPO was happy to see, and also making further suggestions for additional improvements.

Comments

Rule 131, sub-rule (2)

Rule 131, sub-rule (2) is amended as follows:

(2) The statements referred to in sub-rule (1) shall be furnished once in respect of every calendar year, starting from the calendar year

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commencing immediately after the calendar year in which the patent was granted, and shall be furnished within 3 months of the end from the expiry of each such calendar year.

Comment: IPO welcomes the clarification that no statement is required for the calendar year during which the patent is granted. We further recommend adding a reprieve period of at least 3 years immediately after the grant of the patent, during which time the filing of the statement of working would be optional. This recommendation is made because working a patented invention on a commercial scale often takes at least a few years.

Form 27, obligation of patentee/licensee

The right column of Items 1 and 2 of Form 27 is amended, with a note added as follows:

In the matter of Patent No..... of I/we....., The patentee (s) ~~or~~/licensee (s) under in respect of Patent No number..... hereby furnish the following this statement regarding the working of the patented invention referred to above on a commercial scale in India for in respect of the calendar year.....*

** Every patentee and every licensee (exclusive or otherwise) is required to file this Form; where a patent is granted to two or more persons, all such patentees may file this Form jointly; however, each licensee shall file this Form individually.”*

Comment: It appears that the first part of the note is based on Article 146 (2) of the Patents Act, which provides “every patentee and every licensee (whether exclusive or otherwise) shall furnish in such manner and form...” It is our understanding that the second part of the note is meant to clarify that joint patent owners can file Form 27 jointly.

IPO strongly suggests that “every patentee and every licensee” should be changed to “every patentee or licensee.” It is redundant to have the same information furnished by both the patentee and its licensees, leading to unnecessary administrative burdens. In addition, the obligation of furnishing the statement may often conflict with the licensee’s confidentiality obligation under the license.

Form 27, information required for not worked patented invention

Item 3 (i) (a) of current Form 27 requires:

3. Give whatever details are available

(i) The patented invention:

.....

(a) If not worked: reasons for not working and steps being taken for working of the invention.

It is amended such that Item 5 of the draft Form 27 now reads:

5. If not worked, details with justification for not working.

Provide details (maximum 500 words)

Comment: IPO is happy to see that one is no longer required to provide “steps being taken for working of the invention.” We note, however, that a word limit is imposed for providing details related to justification for not working, but it is still unclear what information is required. IPO suggests that guidelines be provided as to what type of justification for non-working would be acceptable and what information in support of the justification is needed.

Form 27, information required for worked patented invention

Item 3 (i) (b) of current Form 27 requires:

(b) If worked: quantum and value (in Rupees), of the patented products:

- i) Manufactured in India*
- ii) Imported from other countries. (give country wise details)*

It is amended such that Item 4 of the draft Form 27 now reads:

4. If worked, details

(a) where the subject matter of the patent is a product, approximate value accrued in India to the patentee(s)/ licensee furnishing the statement from that product through:

(a1) Manufacturing in India..... (in INR)

(a2) Importing into India..... (in INR)

(b) where the subject matter of the patent is a process, approximate value accrued in India to the patentee(s)/ licensee furnishing the statement from the product(s) obtained directly by that process through:

(b1) Manufacturing in India..... (in INR)

(b2) Importing into India..... (in INR)

NOTE: Where the value accrued from a particular patented invention cannot be derived separately from the value accrued from related patents, and all such patents are granted to the same patentee(s), the details of all such patents, including the patent numbers, shall be

provided in part (c) below, and value accrued from all such patents will be provided in (a) and/ or (b) above.

(c) Provide details in respect of (a) and/or (b) above

Comment: IPO strongly suggests that the requirement to provide “value accrued” should be removed. First, the term is vague and ambiguous. For example, it is unclear whether value accrued from the product refers to revenue or profit, and whether it should be based on sales in India or worldwide. Second, such financial figures are often confidential in nature, but the Rules fail to provide that the information shall not be made public. Third, a product is often covered by multiple forms of intellectual property, such as patents, trademarks, copyrights, and trade secrets, and a product can also be covered by multiple patents, sometimes in different technology fields and/or with different patent owners. These complications make it a great challenge for a patentee/licensee to quantify accrued value on a per-patent basis.

While the NOTE in Item 4 states that the details of related patents (from which the value accrued from a particular patented invention cannot be derived separately) granted to the same patentee(s) shall be provided, patentees are not given the option of filing a single Form 27 for multiple related patents. We believe that the option of reporting related patents collectively on a single Form 27 would contribute to a better and more holistic assessment of the extent of the package of patents being worked in India — and would also reduce administrative burdens associated with requiring a separate Form 27 for each patent.

Form 27, information no longer required

IPO welcomes the removal of requirements for license/sub-license information and a statement on whether public requirement has been met partly/adequately/to the fullest extent at reasonable price. We had suggested these modifications previously and are very glad to see these positive changes.

IPO again thanks the DPIIT for the opportunity to provide these comments. We appreciate the transparent process and we look forward to future opportunities to participate. We also welcome any further dialogue or opportunity to provide additional information.

Sincerely,



Henry Hadad
President