



November 25, 2015

The Honorable Secretary  
Ministry of Commerce and Industry  
Government of India  
Udyog Bhavan  
New Delhi 110011  
Attention: Shri Rajiv Aggarwal, Joint Secretary of the Department of Industrial Policy and Promotion (DIPP)

Via email: [rajiv.aggarwal@nic.in](mailto:rajiv.aggarwal@nic.in)

## Re: IPO Comments on India's Draft Patents (Amendment) Rules

Dear Secretary Aggarwal:

Intellectual Property Owners Association (IPO) thanks the Department of Industrial Policy and Promotion (DIPP) for the opportunity to comment on the Draft Patents (Amendment) Rules, published on October 26, 2015.

IPO is a trade association representing companies and individuals from all industries and fields of technology that own or are interested in intellectual property rights. IPO's membership includes nearly 300 companies and more than 12,000 individuals who are involved in the association, either through their companies or through other classes of membership. Many IPO members actively engage in business opportunities in India, work within the Indian intellectual property right (IPR) system to protect and enforce intellectual property, and have a strong interest in the development of India's domestic and international policy.

IPO's comments are directed to the following three areas: reduced timelines for response to a first examination report; expedited examination; and working statement requirements.

### I. Reduced Timelines for Response to a First Examination Report (FER)

IPO recommends providing a second opportunity for applicants to submit written responses to any unresolved issues after filing a response to the FER. For example, a second (and final) examination report may be issued, if required, identifying the unresolved issues along with a shortened timeline for response. The issuance of a second or final examination report is in line with the practice followed by several patent offices across the world. The overall timeframe for prosecution may be accommodated to be within the existing 12-month period for placing the application in condition for grant.

Currently and in the proposed rules, however, such opportunity is limited or does not exist. Typically all unresolved issues are addressed during oral hearing before the Controller. To this end, it is possible that many more such oral hearings will have to be taken up under the

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proposed shortened timelines placing additional burden on the Controllers. Consequently, patent prosecution may be delayed thereby frustrating the DIPP's efforts to reduce pendency and backlog.

In addition, IPO notes that there still exist other provisions in the Patents Act and Rules where the statutory response period is six months. For example, a response to a requisition under Section 8(2) is due in six months from the date of the requisition, which is the same as the date of the FER. It is unclear as to how the shortened timeline for placing the application in condition for grant (four months plus two months extension of time) will affect the statutory response of six months of responding to a requisition under Section 8(2).

## **II. Expedited Examination**

IPO commends DIPP on the rules regarding expediting examination for certain applications under the draft Rule 24C. An applicant wishing to expedite issuance of a FER on his application may file a request, with an enhanced fee, and show that any of the grounds in (1)(a), (b), or (c) of the rules are met. IPO understands the intent of Rule 24C is to incentivize innovation and manufacture in India. IPO is concerned, however, that the requirements for patent applications to qualify for expedited examination under Rule 24C are onerous, and any advantage of early disposition of a patent application may not be significant enough to encourage foreign patent applicants to invest in manufacturing in India.

If an applicant requests expedited examination under (1)(b) (manufacturing of the invention has commenced in India) or under (1)(c) (manufacturing shall commence within two years from the patent grant date), the applicant is required to provide the following four pieces of information: verification that required monetary funds are available; any existing license agreement; a showing that patent claims do not exceed twenty claims; and an affidavit.

Although expedited examination of patent applications where an applicant or a licensee has already commercialized the invention or plans to commercialize the invention within two years from the filing date of a request for expedited examination may be available in other jurisdictions such as Japan, there is no local manufacturing requirement, as there is in draft Rule 24C.

Moreover, the enhanced fee for requesting expedited examination is over ten times the regular examination fee. As such, any encouragement for micro, small, and medium scale enterprises (MSMEs) to avail themselves of the benefits of expedited examination may be lost.

IPO respectfully recommends that the DIPP reconsider the expedited examination Rule 24C in view of the stringent burden such as the manufacturing requirement and the enhanced fee on applicants. IPO suggests that the DIPP consider the existing methods to expedite examination and reduce backlogs already used by other patent offices around the world, including the Patent Prosecution Highway.

## **III. Working Statement**

IPO had earlier this year submitted to the National IPR Think Tank that the removal of this requirement would benefit domestic and foreign patent owners alike. Although one policy position might be that the requirement exists to encourage commercialization, IPO believes such a policy does little to influence commercialization. Further, documentation in support of the working requirement requires the public disclosure of confidential business information that is detrimental to

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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.

In any event, IPO respectfully recommends that the original language in Form 27, item 3 (“Give whatever details are available”) be reinstated instead of the proposed language (“The details of working”). IPO believes that the original language, which requests information (e.g., quantity, value) on manufacturing, importation, and licensing activities to the extent such information is available to the patentee, is more appropriate. IPO is concerned that removal of the “whatever . . . available” language may be interpreted to imply that, where such information is not available, the patentee is still required to generate figures. For instance, it is very common for licenses to involve a group of patents related to a certain technology field. Under such arrangements, the individual value of a patent is often not available to the patentee. Moreover, technology licenses often include trade secrets or know-how in addition to patents. This presents even greater challenges for the patentee to quantify value on a per-patent basis. Therefore, IPO respectfully proposes that the original language be reinstated.

IPO again thanks the DIPP for the opportunity to provide these comments. We appreciate the transparent process and we look forward to future opportunities to participate. If we may be of further assistance, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip S. Johnson". The signature is fluid and cursive, written in a professional style.

Philip S. Johnson  
President