Additional Features of New Patent Ordinance

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The Patent (Amendment) Ordinance 2004 and the Patent (Amendment) Rules 2005 notified on 26th December 2004 and 28th December 2004 respectively are now on public domain. This has put to rest all the speculations and predictions. Though every sector and section has something to cheer about (and also complain and feel disappointed), the manner in which the Government tried to beat the deadline reminds us of the last ball of the last over of a world cup cricket match.

While a lot is being written and a lot will be written and argued (including in the Parliament), as to how the amendments fall short of TRIPs compliance and how the bill does not fully protect the National and public interest, there are other aspects of the amendments which also need attention and review.

Impact on Indian inventors/applicants

One sector which has every reason to feel discriminated is the Indian "inventor" and Indian "applicant" for the patent. While the 1970 Patent Act had a stringent Sec.39, restricting Indians from patenting abroad, this provision has been substantially liberalized in the first amendments effective 1.1.95. The restrictions under Sec.39 has been limited only to patent applications for defense and atomic energy purposes. However, in the 2004/2005 amendments, under the provisions of Sec. 39 and Rule 71(1) as amended, Indian inventor/applicant has to first file an application in India and wait for six weeks to file an application outside India (including a PCT application?). Alternatively an Indian inventor/applicant has to apply for a permit to make an application outside India and wait for such a permit to be granted before making a patent application outside India. An Indian can file a PCT application at an Indian Patent Office. Should this not be treated as an Indian application, as a disclosure is made to the Indian office who handles the application? Invariably no overseas (National Phase) application will be filed within 6 weeks of filing a PCT through Indian Patent Office. If this facility is not available, the options available earlier to directly file a PCT application (without filing an Indian priority) stands withdrawn. Overseas direct filing will also not be possible anymore. Looking critically at the two options now available after the amendment i.e. (1) to file an Indian application first, wait for six weeks and file foreign applications or (2) file application for a permit in form No.25 (with a fee of Rs 1,000/- or Rs 4,000/- for natural persons and other respectively), the first option appears better for more than one reason. The second option has the distinct disadvantage and uncertainty of having to wait for a permit for at least 3 months. Rule 71(1) has been amended, giving up to 3 months time for disposing of the request. In the first option, the wait is only for six weeks (though the

fees involved is the same). There is no uncertainty here, as the foreign application can be filed, without waiting for a permit.

While the wisdom of restricting or refusing patent applications abroad for defense purposes or atomic energy by Indians is admirably appreciated, the discriminatory approach against normal industrial inventions by Indians, is probably unfair. The restriction, however, is limited only to a person resident in India and not to a person resident outside India.

The earlier Form No.30 is replaced by Form No.25 for making request for permission for making patent application outside India. It appears from Form 25, that even a person who files an application in India six weeks prior to filing an application overseas, is also required to file application in Form No.25, to dispose of which the Patent Office has 3 months time available. However, the reading of Sec.39 appears to convey a different interpretation.

This confusing contradiction need to be addressed and rectified. It would be fair if this amendment is withdrawn and status quo ante restored (as up to 31.12.2004).

Likely confusion in transition

Post second amendment, patent application, (request for) examination, acceptance, publication, opposition, sealing and grant which was the earlier sequence had acquired an 18 months publication provision additionally. This sequence has now become application, (request for) publication, (representation for) (pre-grant) opposition, (request for) examination, grant, post-grant opposition, Opposition Board hearing, appeal to Appellate Board/High Court so on whoever said that time frames and procedures for grant of patent has got simplified is simply mistaken. It has got "complified". It would be interesting to see when and how the patents get granted post-2005.

We will now have different groups of patents to grant. Those which have been examined and published (for opposition), those which have been published (18 months), examined and published for opposition, those which have been published (18 months) and not examined [including section 5(2) applications for product patents] but will need to wait to receive representation for opposition, those which will now go through the latest procedure including request for publication etc.

Opposition procedures

Opposition procedures have been substantially fortified and redoubled, both pre-grant and post-grant. The post-grant opposition has more "teeth" as the same is now to be heard at the Patent Office by the newly "constituted" Opposition Board.

The last-minute change between the Ordinance and the Rules informing pre-grant representation to pre-grant opposition with hearing may have brought in practice, examination will start (even if request for examination has been filed) only after

publication. This means that one has to request for early publication (by payment of a new hefty fees) for the request for examination (also by payment of a similar fee) to be taken up for action phase. Since the time frame for pre-grant representation is either within three months of publication or anytime before grant, whichever is later, there is bound to be uncertain delays in grant. Assume a situation where the application is examined and ready to grant (waiting for release of grant). If a representation is received one day before grant, the application will have to once again go through a fresh examination with specific reference to the new material brought up through representation, initiate all re-examination procedures leading to grant of a hearing etc. It will be interesting to watch how the system works (or not). The "Alladdin's Lamp and Genie" which produced the TRIPs compliance on 1.1.2005, may still have all the answers.

Indian patent database online

The saddest part is the failure of C-DAC to come up with the online database of patents and patent applications. The entire patent reforms have been put-back by this un-explainable delay in computerising and making available all the archives and current data of patents granted and applied for on online access. In fact the earlier amendment appeared to "threaten" immediate impending online access as well as online application facility. The current impasse in accessing published information though delayed receipt of Gazettes and gazette notifications is negating any promised improvements including reduction in time frames.

It may still be an idea worth-considering to handover the online publication, maintenance of database and handling of online application and correspondence to a private I.T. organisation (we have world-class enterprises). Alternately, a high level attention to make the C-DAC deliver the project and manage it satisfactorily (which should be possible, if there is a "will").

Definitions

Definitions of food, medicines etc have been omitted. A bold new definition is in place, in place in Sec. 92A (Compulsory License), for "pharmaceutical product".

The presence of Art. 7 & 8 in TRIPs, and the Doha Resolution (para 6) of Public Health and access to medicines, have put to rest the argument that there cannot be any "discrimination" in filed of technology. Consequently, the definition for "pharmaceutical products" has been rightly and boldly brought in under Sec.92A as follows

"any patented product, or product manufactured through a patented process, of the pharmaceutical sector needed to address public health problems and shall be inclusive of ingredients necessary for their manufacture and diagnostic kits required for their use".

Compulsory license

Sec. 90 has further been explained unambiguously Sec. 90 has been linked to 92A, which introduces provision for Doha (Para 6) implementation. However, the procedural details are yet to be published by the Controller (The provisions are subject to such terms and conditions as may be specified and published by him).

Patentability concerns not addressed

There have been many representations for refusing patents for marginal improvement in physical form like polymorphs, particle size, impurity profiles, solvates, complexes, salts & esters etc. There were demands to restrict grant of patents only to "Real Inventions". Under the context of the current international harmonized interpretations of "patentability" and "inventions", the Government may have had their own compulsions. However, adding a sub-section (q) after sub-section (p) of Section 3, as follows would have substantially met the expectations.

Section 3 - Inventions not patentable
(q) new physical forms of known chemical entities including salts and complexes thereof.
Mere new use

Earlier "new use" was as such not patentable. Now the addition of the word "mere" to Sec.3 (d) has made only "mere new use" not patentable, thereby making "new use" patentable. This expands the scope of patentability to new uses of known molecules. This being largely practiced worldwide by more experienced and research-based corporations, this will benefit the international companies substantially (contrary to popular belief of indigenous research community).

Sec. 5(2) - Mailbox applications
The ordinance has boldly and rightfully granted effective protection to product patents from the date of grant only. This notably will not, however, affect the priority date and therefore will not alter or extend the total life of the patent which will be from priority date.

R&D exemption and parallel import (IP exhaustion)

By amending Sec. 107A(a) import of patented products for R&D purposes have been notified as non-infringing. This is over and above the existing provisions granting non-infringement status for "any act of making, constructing, using, selling (importing) a patented invention, solely for uses reasonably related to the development and submission of information required under any law for the time being in force, in India, or in a country other than India etc.". The parallel import provisions have also been streamlined by allowing import from a source "who is duly authorised under the law to produce and sell or distribute the product" instead of "who is duly authorised by the patentee to sell or distribute the product" by amending Sec. 107(A)(b).

The Government need to be complimented for coming out with as bold, clear and

unambiguous a notification as possible under a TRIPs compliant umbrella. We have successfully crossed the river of transition. We have reasonably made transition provisions workable. The operating procedures need close attention to clear the confusion and make the new system to work.

Since this is an "Ordinance", which need ratification by the Parliament (failing which the confusion will get confounded), a reasonable middle of the road approach is recommended to allow the dust to settle and let the new system to function and put it to test in due course.