

Ordinance 2004 – Patent Tsunami or Parting Gift?

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During my early students days of patent studies, in answer to a query from my friend and guru Dr. Prabuddha Ganguli, an ideal (balanced) patent law was described by me as “one that pleases all”. Thought-provokingly, Dr.Ganguli asked “Is it possible to draft a law that pleases all?” I had no immediate answer.

Through this ordinance, the Government appears to have attempted to do a very bold “balancing act”. A few salient features are briefly mentioned below.

- The effective date of the amendments (as expected) is 1.1.2005 (except for amendments relating to Appellate Board).
- Complying with TRIPs & WTO by introducing product patents from 1.1.2005 (The amendment goes well beyond the TRIPs compliance option).
- Settling vexatious status of protection for mail box applications by deciding date of grant (and not date of application) as effective date for protection (partly meets Indian Industry’s demand).
- Providing for early grant of patents (reducing time frames and procedures through administrative action and option).
- Replacing pre-grant opposition with pre-grant representation and post-grant opposition (more opportunities, less formal documentation and less fees).
- Allowing 1 year grace period (for prior exhibition/publication) for patent applications (harmonization with US laws?)
- Additional compulsory licensing provisions to enable exports against overseas compulsory license (Doha), subject to procedural details (over and above streamlining clarifications to earlier provisions). Procedures to be introduced in Patent Rules (expected shortly)
- Importation of patented products permitted for R&D purposes.
- Embedded software now made patentable. Business methods and mathematical methods clarified as not patentable.
- Parallel imports allowed from “sources duly authorized under law” instead of sources “duly authorized by patentee”

- Enforcement of penalties for “unauthorized use”, wrongful use, failure to furnish information ranging from 1 Lakh to 5 Lakhs (from original 10 to 20 thousand rupees). Penalties for practice by non-registered patent agents ranging from Rs.1 Lakh to Rs.5 Lakhs.
- Qualification for technical member of Appellate Board made practicable (this will help faster composition and working of Appellate Board for Patents).
- Patent sealing (sealing application fees, sealing correspondence and related delays) eliminated.
- Power for fixing time frames (periods) for processing, deposit of biological materials, disposal of applications are vested with the Controller (to be fixed through Rules)
- Product patent applications which were linked to EMRs will be taken up for examination and grant (or rejection) forthwith.
- EMR provisions deleted.
- Protection to granted EMRs to continue.
- Provision for re-examination of EMRs incorporated
- Requirement of prior publication of Patent Rules, done away with under specific circumstances.
- Definitions of Drugs & Medicines and Foods deleted. New definition (bold) of “pharmaceutical products” incorporated.

“For the purposes of this section, ‘pharmaceutical products’ means 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”.

This new definition of “pharmaceutical product” though currently limited to this section of compulsory license (Doha), the public sensitivities and concerns of public health are well-addressed here.

While the Government has addressed most issues, the basic concern regarding “ever greening” is kept open and reserved for future debates, discussions and decision. Though, the demand for retaining pre-grant opposition has not been retained as such, the new provision for pre-grant (post 18 month publication)

representation and post-grant opposition deserves a fair trial and may prove more effective against frivolous patenting.

However, there is a serious concern that the amendment to Section 25 has remained incomplete, presumably because of omission of a page of the amended ordinance during the printing or before. The missing portion of the amendment has now been made available on the website.

The amendment regarding fast-tracking of Patent Rules may help overcome the procedural delays including prior publication etc and will enable the Act and Rules to be effective from 1.1.2005. It will be worth the wait to see the procedural and operational aspects and time frames in the ensuring patent rules.

The statement by the Hon'ble Minister that further amendments are under consideration may answer some of the anxieties of unfinished agenda. All said and done, Government deserves compliments for a "bold balancing act" through the timely ordinance, which maintains India's credibility in the Global Community.
