



# **A PRIMER ON PATENT LAW**

## CHAPTER 1

### PATENT AS AN INTELLECTUAL PROPERTY RIGHT

#### **What is an Intellectual Property Right?**

‘Intellectual property rights’ (‘IPRs’) is a collective term for patents, copyright, trademarks, design rights, trade secrets and other like legal rights. IPRs offers protection to intellectual or creative labor in industrial, scientific, literary and artistic fields for a specific period of time. Intellectual property rights like patents, confidential information, copyright and designs, specifically deal with protection of ideas and information whereas rights such as trademarks, geographical indication etc deal with methods of promoting and selling goods and services.

#### **Patent as an Intellectual Property Right**

Like any other IPRs, patents too, offer protection over intellectual creations of the human mind for a specified period of time. Patents are granted to protect technological inventions. ‘Patent’ refers to an exclusive right granted for an invention. However, all inventions cannot be protected by patent, but it is also not necessary to protect all inventions solely through patent. The final product arising as a result of the invention may be protected through other forms of IPRs, like trademarks, trade secrets and confidential information. In case a product has a novel design, and not a novel function, the product can be protected by design or copyright.

#### **What is a Patent?**

A patent is a temporary exclusive right granted by the State to an inventor, under a statute in return for the disclosure of technical information about the invention. This disclosure is made in a document known as the Patent Specification. Patent Specifications are filed before the Patent Office which examines and grants patents. The Patents Act 1970 as amended and the rules made under it governs the laws relating to Patents in India. The Patents Act is a legislation passed by the Central Government in accordance with the powers vested under Entry 49 of the List I of Schedule VII of the Constitution of India that deals generally with IPRs including patents.

### **What is the Legislative History of Patent Laws in India?**

The British in 1911 introduced the first Patent Legislation in India, the Indian Patents and Designs Act of 1911, to protect the interests of the inventors. A series of statutes, namely, Act VI of 1856, Act XV of 1859, Patterns and Designs Protection Act 1872, Protection of Inventions Act 1883 and the Inventions and Designs Act 1888 conferred 'exclusive privileges' before the introduction of the Indian Patents and Designs Act 1911 (1911 Act). The legal system underwent many socio-political and economic changes within the country, which required a new set of laws for patents. The main objective to introduce a new set of laws was to ensure that the patents are not worked against the detriment of the consumer or to the prejudice of industrial development in India.

In 1948, the Government formed the Tek Chand committee to review the working of the 1911 Act and to ensure whether the Indian Patent Laws was in line with broader national interests. A bill, largely modelled on the Patents Act, 1949 of the United Kingdom was introduced in the Lok Sabha in 1953. However, the bill lapsed with the dissolution of the first Lok Sabha. In 1957, the Government appointed a fresh committee under the chairmanship of Justice N. Rajagopala Ayyangar to study and recommend changes to the patent law in India. The committee's recommendation on patents for food, medicine or drug along with few other changes were introduced in the Patents Bill 1965. It was re-introduced again in December, 1966 after certain amendments by the joint parliamentary committee. The bill received presidential assent on 19 September 1970. The Patent Rules was published in November 1971. The Act and the Rules came into force on 20 April 1972.

### **What are the laws that affect Patents in India?**

Presently, patents in India are governed by the provisions of the Patents Act as amended, the Patent Rules, 2003 as amended (the 'Patent Rules'), the Intellectual Property Appellate Board (Patents Procedure) Rules, 2010 (the IPAB Rules, 2010) and the Patents (Appeals and Applications to the Intellectual Property Appellate Board) Rules, 2011 (the IPAB Rules, 2011). The Patents Act has been so far amended three times, in 1999, 2002 and 2005, which were done to conform the Indian Patent Laws with the Agreement on the Trade Related Aspects of Intellectual Property Rights, 1994 (TRIPS Agreement) of the World Trade Organization (WTO).

Apart from these specific laws, certain other legislations also have a bearing on Patent laws in India. The Biological Diversity Act, 2002 requires prior approval of the National Biodiversity Authority for obtaining patents for any invention based on any research or information on a biological resource obtained in India. Similarly, topography of integrated circuits and plant varieties can be protected by Patents, however India opted for a sui-generis system of protection by introducing the Semiconductor Integrated Circuits Layout-Design Act 2000 and the Protection of Plant Varieties and Farmers' Right Act 2001 respectively for their protection.

*The Patent Rules, 2003*

The Patents Act being a Central Government legislation, any changes that is required to be made will require an amendment to the Act, which can be done only by the Parliament's approval. To have operational flexibility, Section 159 of the Patents Act allows the Central Government to make Rules describing the details with regard to fees, forms, timelines, compliances etc. For this reason, the Patents Act uses the phrase "as may be prescribed", "within the prescribed time", "prescribed form" in various provisions, which are liable to change and the details to these prescriptions are found in the Rules.

Presently, the Patent Rules, 2003 made by the Central Government in exercise of its powers serves the purpose. The Patent Rules has been amended five times so far in 2005, 2006, 2013, 2014 and the latest one being in 2016. The 2016 amendment has introduced a host of changes in the Patent Rules.

The 2016 Rules introduced a new entity called "start-up" [Rule 2(fb), The Patent Rules] and extended certain benefits like expedited examination of application [Rule 24C] to such entities. To encourage e-filings, the new rules removes courier service for leaving and serving documents and makes it mandatory for patent agents to make submissions electronic submissions only. Apart from the these, the 2016 Rules also introduced the following major changes:

1. Petition for condonation of delay in certain circumstances [Rule 6(6)];
2. Circumstances where fees paid can be refunded [Rules 7(4) and 7(4A)];
3. Deletion of claims in international application [Rule 20(1)];
4. Hearing adjournments [Rule 28(6)] and hearing through video conferencing [Rule 129A];

5. Introduction of new form, Form 29 for withdrawal of patent application.

### **How is Patent defined under the Patents Act?**

The Patents Act defines patent as a patent for any invention granted under the Act. A patent can be granted for an invention, which can either be a product or a process, that provides for a new method of doing something or offers a new technical solution to a problem. A grant of patent confers a negative right, i.e. the patentee has the right to exclude others from manufacturing, using, offering for sale, selling or importing the invention in India [Section 48]. This right can be exercised for a period of 20 years, after which the patent comes in the public domain and any person is free to exploit the rights held by the patentee.

A process patent refers to a patent granted to a process or method of making an article. Process patents grants the patentee an exclusive right to manufacture an article using a particular process for which the patent is claimed. The patentee can stop any person from using that particular process to manufacture the article. In such a case, the right to manufacture the resulting product per se is not hindered. In other words, a competitor can manufacture the same resulting product using a different method or a process without infringing the rights of the patentee.

### **What is the Purpose of a Grant of a Patent?**

A grant of a patent gives the inventor an exclusive right in the invention for a limited period of time, upon the expiry of which the rights in the invention is available to the public at large. The primary purpose of the patent system is to encourage improvements and innovation. Therefore, the purpose of the invention is not merely to reward the inventors for their creative labor but also to encourage public disclosure of their inventions. The grant of exclusive privileges for a limited period, stimulates new inventions of commercial utility. The patentee pays the price of the grant of this limited monopoly by disclosing the invention at the Patent Office, which, after the expiry of the limited period, passes into the public domain [*Bishwanath Prasad Radhey Shyam v Hindustan Metal Industries*, AIR 1982 SC 1444].

### **What is an Invention?**

An invention is defined as a new product or process involving an inventive step and capable of industrial application [Section 2(1)(j)]. ‘Invention’ shall include both

products and processes. In a product patent, the end product, i.e. the article or the apparatus itself is eligible for patent protection. However, in case of a process patent related to a product, it is the manufacturing process which results in the end product qualifies for patent protection.

The term invention means to find out something or discover something not found or discovered by any one before [*Raj Prakash v Mangat Ram Choudhury*, AIR 1978 Del 1]. To understand the meaning of invention, its three requirements, i.e. novelty, inventive step and industrial application needs to be comprehended. To satisfy the requirements of an invention under the Patents Act, it need not be any complicated advanced technology. Even a simple and basic invention, as long as it fulfills the three above mentioned requirements, would be an invention. Although, the definition of an invention does not include an improvement or a modification, the Patents Act covers improvements that amount to patentable inventions. Mere workshop improvements, without any inventiveness, will not qualify for a patent protection.

### **What is Patentability?**

An invention is said to be patentable if it satisfies all the conditions laid down by law in order to be granted a patent. The very first condition that needs to be satisfied is that the invention needs to be a patentable subject matter under the Act. Apart from this, the other conditions of patentability are mentioned in the definition of 'invention' under Section 2(1)(j) of the Act, which are novelty, inventive step and industrial applicability. Therefore, any invention, which is a product or a process would be granted a patent if the following four requirements are met:

1. The invention must be new (novelty);
2. The invention must involve an inventive step (inventive step or non-obviousness);
3. It should be capable of industrial or commercial application (industrial application or utility);
4. It should be patentable subject matter (Sections 3&4; inventions not patentable).

### **What is Novelty?**

The requirement of novelty is one the pre-conditions for the grant of patent, defined under Section 2(1)(l) of the Patents Act. Novelty is termed and defined as 'new invention' under the Patents Act. 'New invention' means any invention or technology

which has not been anticipated by publication in any document or used in the country or elsewhere in the world before the date of filing of patent application with complete specification, i.e., the subject matter has not fallen in public domain or that it does not form part of the state of the art [Section 2(1)(l)]. Novelty can be understood only with reference to 'the state of the art'. Any invention anticipated by prior art will not be considered as novel.

### **What is Anticipation and What are the Exceptions to Anticipation?**

Anticipation refers to that part of the state of the art which is inconsistent with the invention being new. In other words, if an invention is disclosed to the public in its entirety in a single disclosure, it is said to be anticipated. Anticipation can be of two kinds: anticipation by disclosure and anticipation by use. However, the Patents Act provides for following exceptions with regard to certain instances which will not amount to anticipation.

1. Any matter obtained, used or published without the consent of the true and first inventor [Section 29].
2. Applications for patent in India made before 1 January, 1912 [Section 29].
3. Communication of an invention to the government to investigate the invention or its merits [Section 30].
4. Inventions displayed in exhibitions and disclosures made to a learned society, if an application is made within 12 months of such disclosure [Section 31].
5. Working of an invention in public for the purposes of reasonable trial and was reasonably necessary to work the invention in public. Such working shall not be anticipated if an application is made within 12 months of such disclosure [Section 32].
6. Use of invention in India or the publication of the invention anywhere in the world after the date of filing of provisional application [Section 33].

### **What is an Inventive Step?**

Inventive step is one other pre-requisite for the grant of a patent, defined under Section 2(1)(ja). Inventive step refers to the inventiveness in making the leap from the closest prior which was not obvious to the person skilled in the art. The Patents Act uses the terms 'inventive step' and 'non-obvious' interchangeably, i.e., to say that for an invention to 'involve an inventive step' it should not be obvious to the person skilled

in the art. 'Inventive step' means a feature of an invention that involves technical advance as compared to the existing knowledge or having economic significance or both and that makes the invention not obvious to a person skilled in the art [Section 2(1)(ja)].

The terms 'technical advance' and 'economic significance' are mutually exclusive concepts. Technical advancement is an intrinsic condition required to satisfy the conditions of inventive step. It is necessary that the advancement in the existing knowledge or the state of the art is technical and not something which is practically obvious. Economic significance of an invention or success in the market place does not have anything to do with the technical aspect of an invention in determining its obviousness. It can however be a secondary consideration in determining inventiveness.

The other major element in determining inventive step is that the invention is 'not obvious to a person skilled in the art'. An invention is said to have an inventive step, if it was obvious to a person skilled in the art having regard to any matter which forms part of the state of the art, i.e., 'what was publicly known or publicly used in India or what was published in India or elsewhere before the priority date of the claim' [Section 64(1)(f)].

### **What is Industrial Applicability or Utility?**

Capable of industrial application in relation to an invention, means that the invention is capable of being made or used in an industry [Section 2(1)(ac)]. This is the final prerequisite in determining the patentability of an invention. The term industry is given a wide interpretation and shall include any commercial undertaking. Utility in patent law refers to a quality of an invention which makes it better than the existing knowledge. It does not mean either 'abstract utility, or comparative or competitive utility, or commercial utility' [*Welsbach Incandescent Gas Light Co Ltd v New Incandescent (Sunlight Patent) Gas Lightning Co (1900) 17 RPC 237*]. An invention will be regarded useful, if, by following the instructions in the claims, the results sought by the patentee can be attained and is of practical utility as on date of the grant.

### **Are there any Exceptions to Patentability?**

As discussed above one of the most important conditions for the grant of a patent is that the invention should be not be excluded from being patented. Sections 3&4 contain a



list of inventions that are not patentable. The following categories of inventions are not patentable:

1. Frivolous Inventions and Inventions Contrary to Natural Laws
2. Inventions Contrary to Public Order or Morality
3. Discovery not an Invention
4. Inventions Pertaining to Known Substances etc.
5. Invention Pertaining to Mere Admixture or Arrangement
6. Inventions Pertaining to Arrangement
7. Method of Testing
8. Method of Agriculture or Horticulture
9. Methods of Medical Treatment of Human and Animals
10. Plant and Animal Varieties
11. Business Method, Computer Program etc.
12. Literary, Dramatic, Musical or Artistic Work etc.
13. Scheme or Rule
14. Presentation of Information
15. Topography of Integrated Circuits
16. Inventions Relating to Atomic Energy

The above-mentioned exceptions can be broadly classified into two categories: absolute and limited exceptions. Inventions relating to atomic energy relate to an absolute exception where as in the case of inventions pertaining to known substances, on fulfillment of certain conditions can take the invention out of the purview of section 3.

**Novartis v. Union of India**

*The subject matter of the case relates to a patent for beta crystalline form of Imatinib Mesylate, which was rejected by the Controller and subsequently by the IPAB. Novartis later appealed to the Supreme Court over the substantive merits of the case decided by the IPAB. The main issue before the court was to test the patentability of beta crystalline form of Imatinib Mesylate as per Section 3(d) of the Patents Act. Section 3(d) checks any attempt at repetitive patenting or extension of the patent term on spurious grounds. It can also be seen as an extension of definition of invention. A new form of a known substance in order to be patentable should result in the enhancement of the known efficacy of that substance.*

*The court held that Imatinib Mesylate was anticipated by the Zimmerman patent and it does not qualify the test of invention. Therefore, the efficacy of Imatinib Mesylate is already known and beta crystalline form of Imatinib Mesylate is a new form of the known substance, thereby attracting Section 3(d).*

*The Supreme court makes it clear that in cases of medicines, for the purposes of Section 3(d), efficacy would mean therapeutic efficacy. The court while comparing the efficacy of the subject matter with the known substance held that more beneficial flow properties, better thermodynamic stability and lower hygroscopicity have nothing to do with therapeutic efficacy and beta crystalline form of Imatinib Mesylate cannot be said to have an enhanced efficacy as compared to its known form.*

*The court while dismissing the appeal filed by Novartis held that the Beta crystalline form of Imatinib Mesylate fails in both the tests of invention and patentability as provided in section 2(1)(j) and (ja) and section 3(d) respectively.*

**How are Inventions Described and Protected?**

Inventions are described through a patent specification, which is entitled for patent protection. Patent specifications describe the invention and demarcate the scope of the invention for which protection is claimed. Patent specification end with a portion known as the claims which details the scope of protection covered by an invention.

### **How to get Information on Patents?**

Patent information refers to information found in patent applications and granted patents. The Indian Patent Office publishes patent applications and information on granted patents in the Official Journal. Other information and documents relating to a particular patent can be found online on the patent office website (<http://www.ipindia.nic.in/patents.htm>). With the emergence of internet and web-based patent databases, the process of getting information on patents have eased significantly. There are various free and paid patent databases available online, which facilitates the search for patent specifications. One such free database is [www.google.com/patents](http://www.google.com/patents). When searching for a patent information it is necessary to select keywords that clearly define the object of search.

### **What is Prior Art?**

Prior art refers to everything which has been made available to the public before the priority date anywhere in the world by means of written disclosure and which can be of assistance in determining whether the claimed invention is new and involves an inventive step. It means to all such information which proves that the invention is already known. To say that an invention is not anticipated by prior art, means that the subject matter of an invention has not fallen in the public domain or it does not form the part of the state of the art. It includes all such materials known before the filling of patent specification.

### **How are Patents treated under International Law?**

India is a party to the TRIPS Agreement by virtue of being a founding member of WTO. TRIPS is a minimum standards international agreement for the regulation of Intellectual Property in the WTO Member States. India is a member of the Paris Convention, which was one of the first intellectual property treaties established a Union for the protection of Industrial Property, India has also signed the Patent Cooperation Treaty, 1984 that provides for unified procedure for patent applications to protect inventions in the member States the Budapest Treaty on the International Recognition of the Deposit of Micro-organism for the Purposes of Patent Procedure, 1977.

**What is the Significance of Foreign Decisions under Patent Law?**

The Indian courts being a part of the Commonwealth, have held that application of foreign decisions to an extent is beneficial in understanding a statute which embodies principles of common law. The law relating to patentable inventions in India is substantially the same as that in the United Kingdom [*Bishwanath Prasad Radhey Shyam v Hindustan Metal Industries*, AIR 1982 SC 1444].



## CHAPTER 2

### PATENT PROSECUTION

#### **What is Patent Prosecution?**

Patent specifications are filed in the form of a Patent Application before the Patent Office. The Patent Application undergoes publication, examination and scrutiny at the Patent Office. The Government provides for a mechanism for filing application for patentable inventions. Once an application is filed by a competent person, the application is published and examined by the Patent Office this process of receiving, publishing, examining and eventually refusing or granting the application for patentable invention is called patent prosecution. It is significantly different from a patent litigation, which happens after the grant of the patent by the Patent Office and is a legal action before a court relating to infringement of patents.

#### **Who can file a Patent Application?**

An application for a patent for an invention may be made by, either alone or jointly with any other person. The following persons can apply for a patent:

1. Any person claiming to be the true and first inventor of the invention;
2. Any person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application;
3. Any person being a legal representative of any deceased person who immediately before his death was entitled to make such an application [Section 6].

#### **What is the Form of Application?**

An application for a patent shall be made only for one invention on Form 1 by paying the prescribed fee [Section 7]. Such an application shall be filed at the appropriate patent office within whose territorial limits the applicant has his place of residence, domicile or business. The said application shall be accompanied by the following documents:

1. A provisional or a complete specification on Form 2 and drawings, if any.
2. Statement and undertaking regarding foreign application with regards to the same application on Form 3. [Section 8]
3. Declaration as to inventorship on Form 5 [Section 10(6)].
4. Priority document in case of a convention application.

5. Power of authority where the application is made through a patent agent.
6. Proof of right if an application is made through an assignee [Section 7(2

### **What are the Types of Application?**

According to the Indian patent laws, there are three types of applications, namely, Ordinary Application, Convention Application and PCT Application. Further, a divisional application and a Patent of Addition can be filed within each of these three application. So, the following types of patent applications that can be filed are:

1. Ordinary application under section 7.
2. Convention application under section 135.
3. PCT international application under the PCT.
4. PCT national phase application under section 7(1)(A).
5. Application for patent of addition under section 54.
6. Divisional application under section 16.

### **What is a Patent Specification?**

A patent specification refers to a unilateral statement by the applicant describing the invention for which the patent is sought and also sets out the scope of protection of the patent. The Patent Act mandates that every patent application, other than an international application shall be accompanied by a provisional or complete specification [Section 7(4)].

### **What are the Types of Patent Specification?**

There are two types of patent specification: provisional specification and complete specification. The provisional specification helps in determining the priority date of patents i.e., in case of similar competing application, the priority of the co-pending applications is based on a first-to-file basis. A complete specification is referred to as the contents of the patent. Eventually, it is the complete specification that is granted a patent. A provisional is different from a complete specification as the former in most cases do not have claims. Further, an abstract should be given on a separate page with the complete specification. A complete specification shall be filed within 12 months from the date of filing of application, failing which, the application shall be deemed to be abandoned [Section 9(1)].

### **What is the Need for a Specification?**

A complete specification ordinarily contains the description of the invention, embodiments of the inventions and claims which aids in setting out the scope of protection. The claims mentioned in the specification carves out private rights in such a way which would clearly define the scope of the protection. The object and purpose behind filing a specification is to provide notice of the private right in the invention to the world at large and to enable the person skilled in the art to make the product or process claimed, so as to make it available for the public at large at expiry of the term of the patent.

### **How does the Specification Look?**

A complete specification should satisfy all the requirements mentioned under Section 10 of the Patents Act. It shall begin with a title that sufficiently indicates the subject matter of the invention, fully and particularly describe the invention, disclose the best method of performing the invention, should end with a claim defining the scope of the invention and should be accompanied by an abstract. If required, the complete specification may also be supplemented or accompanied by drawings and models. A specification is a composite document which comprises various components. Each of these components performs particular functions which are detailed below. The main contents of a complete specification and its accompaniments include:

1. Title;
2. Abstract;
3. Description of invention;
4. Claims;
5. Drawings;
6. Models or Samples.

### **What is Priority?**

The priority date is the first date of filing of a patent application, anywhere in the world, to protect an invention. The priority date is also used to determine the novelty of the invention. It refers to the date from which exclusive right in the patent will accrue on the patentee. India follows a first-to-file system for determining priority. Priority is tied to the claim and is used in determining the validity of a claim. Every claim in a patent specification will have a priority ascribed to it. The application which is filed first in

time before the appropriate authority will be accorded precedence over the later filed application when there is a conflict. Priority also helps the patentee to file multiple patent applications in different jurisdictions citing an earlier priority date.

### **What is Publication and Why are Applications Published?**

Publication brings the information covered in a patent into the public domain. Publication also aids in serving notice of an invention to the public. Under the Patents Act, publication can either be of a Patent Application or of a Granted Patent. The publication of a patent application makes it available in the public domain and therefore it becomes a part of the prior art for all other patent applications filed across the globe. As a result of the publication of the application, any subsequent similar invention shall be anticipated by such publication. Moreover, the applicants should also not publish their inventions before filing a patent application, as publication of the invention, even by the inventor himself, will make the invention fall in the public domain and subsequently shall create a bar for patenting.

An application for patent shall not be open to public before the expiry of 18 months from the date of filing of application or the date of priority of the application whichever is earlier [Section A (1)]. However, a request for early publication can be made by the applicant to the Controller on Form 9 before the expiry of the 18 month period.

Publication of the application is an essential condition before the grant of patent. Unless and until an application is published, it shall not be examined by the examiner. However, an application for patent need not be published in the following cases:

1. Applications where secrecy direction is imposed under section 35; or
2. Applications abandoned under section 9(1) [where a complete specification is not filed within 12 months from the date of application for patent]; or
3. Applications withdrawn three months prior to the 18 months' period prescribed for publication of application [Section 11A(3)].

### **What is Examination and When is an Application Examined?**

Examination refers to the scrutiny of patent applications by the patent office to determine whether the application fulfills the requirements under the Act for the grant of a patent. An application for patent shall be examined if the applicant or any other interested person makes a request for the same in Form 18 within 48 months from the



date of filing or date of priority of the application, whichever is earlier [Section 11B (1)]. A request for examination shall only be processed after the publication of the patent application. Moreover, an application for patent shall be treated as withdrawn by the applicant if no such request as mentioned is made.

### **What Happens During Examination?**

When a request for examination is made in respect of an application the Controller shall refer the application along with all related documents to an examiner for making a report regarding whether the particular application can be granted a patent protection within the Patent Act and the Rules [Section 12]. The examiner shall also search for anticipation regarding the invention claimed. The examiner is required to make a report to the Controller ordinarily within one month but not exceeding three months from the date from the date of reference of the application to him by the Controller.

On the basis of the report submitted to the Controller, he shall communicate to the applicant any objection or amendments that is required to be made to the application. He is also required to issue a first statement of objection (formerly known as 'first examination report' or 'FER') along with necessary documents to the applicant. Wherein, the applicant has to submit a reply to such first statement of objection within 6 months to put the application in order for grant. The Controller has the power to refuse the application or require the application to be amended to his satisfaction.

If an objection is raised by the Controller on the ground that the complete specification relates to more than one invention, then the applicant can make a request for division of application to further divide the invention into two separate inventions.

### **What is Expedited Examination?**

The 2016 Rules has introduced procedures for circumstances under which the examination of a patent application can be accelerated. A request for expedited examination can be filed on Form 18A on any of the following grounds:

1. In a corresponding international application, the applicant has chosen India as the competent International Searching Authority or elected as an International Preliminary Examining Authority.
2. The applicant is a startup as per the Patent Rules [Rules 24C].

A request for examination already filed may be converted into a request for expedited examination by paying the requisite fee and submitting the necessary documents.

### **What is Opposition to a Patent?**

Opposition to a patent refers to the first occasion at which a challenge can be made to the grant of a patent under the Act. An opposition proceeding is introduced either to challenge the application for a patent before the grant, called the pre-grant opposition or revoke a patent after the grant, called the post-grant opposition. Both pre-grant and post-grant opposition can be instituted on common grounds. However, the stage of introduction of the grounds are different. A patent application or a granted patent can be opposed on the grounds of lack of novelty, lack of inventive step, prior publication, prior claiming etc.

A pre-grant opposition can be made by any person, in writing, to the controller at any time after an application for a patent has been published but before the grant of a patent. However, a post-grant opposition shall only be made by a person interested before the expiry of the period of one year from date of publication of the grant of patent. One other significant difference between the two is that in case of pre-grant opposition the Controller is the deciding authority who takes the decision on the opposition on his own, but in case of post-grant opposition, the Controller decides on the recommendation of the opposition board which comprises of three examiners appointed from the Patent Office.

### **What are Secrecy Directions?**

If the Controller is of the opinion that a particular invention is notified by the Central Government for defence purposes or if the invention appears to him to be so relevant, he may issue secrecy directions to that respect. When secrecy directions are issued, the information relating to that invention is kept away from the public. The Controller may give directions for prohibiting or restricting the publication of information with respect to the invention or the communication of such information [Section 35]. Every such secrecy directions issued shall be reconsidered by the Central Government at intervals of six months or upon a request made by the applicant. The consequences of secrecy directions passed is that as long as such directions are in force, the Controller shall not pass an order refusing to grant an application with regard to which the directions are passed. Moreover, there shall be no appeal from the order of the Controller passed in

this respect and contravention of secrecy directions is a punishable offence [Section 37, Section 118].

### **What are the Restrictions on Residents of India in Filing a Foreign Application?**

A person resident in India shall not make any application outside India for the grant of a patent for an invention except under the authority of a written permit sought for in Form 25 and is granted by the Controller. Such a permission shall be granted by the Controller for an invention if the following two conditions are satisfied—

1. an application for a patent for the same invention has been made in India, not less than six weeks before the application outside India; and
2. Either no secrecy direction has been given in relation the application in India, or all such directions have been revoked.

Moreover, if the invention is relevant for defence purpose or atomic energy, the Controller shall not grant permit without the prior consent of the Central Government [Section 39].

### **What Happens When a Patent is Granted?**

#### *Grant of Patent*

A patent shall be granted as expeditiously as possible to the applicant where an application for patent has been found to be in order for grant. In order to be a granted a patent, the application should have not been refused by the Controller by virtue of any power vested in him or the application should have not been found to be in contravention of any of the provisions of the Act. The Controller after the grant of patent, shall publish the same in the official journal. The applicant shall be entitled to institute infringement proceedings after the patent has been granted. However, the applicant shall have like privileges and rights as if the patent was granted from the date of publication of the application to the date of grant of patent.

#### *Restrictions on Grant*

The grant of patent by the government is however not absolute and has certain restrictions. A patent is granted subject to the conditions that it shall be available for the purpose of government use, and experiment & research. It also places a restriction on patents granted to medicine and drugs by making it available for import for its own use or distribution to hospitals.

### Rights of Patentee

The grant of patent shall confer upon the patentee the exclusive right to prevent third parties from doing certain acts for a limited period. In the case of a product patent, the patentee will have exclusive right to prevent third parties from making, using, offering for sale, selling or importing, for those purposes, that product in India. In the case of a process patent, the patentee will have the exclusive right to prevent third parties from using that process and from the act of using, offering for sale, selling or importing for those purposes the product obtained directly by that process in India.

### Who Owns a Patent?

The true and first inventor of the patent is presumed to be the first owner of the patent. However, ownership can be transferred or reassigned to any other person. A patent can be granted to two or more persons, where each of such persons shall be entitled to an equal undivided share in the patent.

### How Long does a Granted Patent Last?

The patent shall be granted for a period of 20 years from the date of filing of application for patent. In the case of international application filed under Patent Cooperation Treaty (PCT) designating India shall be for a period of 20 years from the international filing date accorded under PCT. A patent shall cease to have effect after the expiry of 20 years or on non-payment of the renewal fee prescribed upon expiration of the period prescribed under the Rules. After the expiry of the patent, it shall not be entitled to any protection.

### Whether Improvements can be Patented?

An improvement or modification to an existing invention described or disclosed in a complete specification can be patented through patent of addition. The grant of patent of addition cannot be made before the grant of main invention as it is granted only on the basis of an existing application or granted patent. In order for a grant of patent of addition, the applicant or the patentee, as the case may be shall request the Controller for the grant of patent for the improvement or modification [Section 54]. A patent of addition is granted for a term equal to that of the patent for the main invention or to

such extent of the term that has not expired. Moreover, no renewal fee is payable in respect of a patent of addition [Section 55].

### **How are Patents Amended?**

Amendment plays a significant role in validating a patent, whose validity is otherwise subject to open attack. Amendment of a patent includes amendment of patent application, amendment of specification and other related documents. The Patent Act provides for amendment before and after the grant of patent. Amendments before the grant only be made before the Controller. However, amendments after the grant can be made be either before the Controller or before Appellate Board or the High Court.

An amendment before the grant of a patent can be made pursuant to the direction of the Controller, on the request of the applicant or for clerical errors in the patent application. The Controller can also amend a patent after grant in cases pursuant to post grant opposition, death of applicant, clerical errors after grant etc. After the grant of the patent, in case of a revocation proceeding before the Appellate Board or the High Court, the Board or the Court has the power to allow the patentee to amend the patent. An amendment, before or after grant of patent shall be made only by way of disclaimer, correction or explanation. The amendment shall be allowed only for the purpose of incorporation of actual fact. Moreover, the amendments brought in should be fairly based on the substance disclosed before the amendment.

### **Whether Patents can be Surrendered?**

The patent owner can voluntarily surrender his patent by giving notice to the Controller. When the patentee makes an offer to surrender the patent, the Controller shall publish the offer and also notify all such person who have an interest in the patent. After publication of the notice of surrender, any person interested within three months of such publication give notice to the Controller of opposition to the surrender.

### **Whether a Granted Patent be Revoked? Who can do it and Under What Grounds?**

Yes, a granted patent can be revoked any time after the grant of the patent. Revocation is a process by which a granted patent may be put to an end before the normal expiry of the term of the patent. Revocation of a patent shall cease all rights and privileges available upon the grant of a patent and shall render the patent invalid from the beginning. A petition for revocation can be filed by any person interested, or by the

Central Government before the Appellate Board. Moreover, a petition for revocation can be filed by a defendant in a suit for infringement of patent is pending before the high court.

A patent can be revoked on grounds of prior claiming, wrongful obtaining, lack of novelty, inventive step or utility, insufficiency etc. The grounds mentioned are exhaustive, i.e., only the grounds enumerated under Section 64 are available for revocation. A patent can also be revoked by the Central Government, if it affects the State, is prejudicial to the public or if the patent relates to atomic energy.

### **What is a Patent Office?**

For the purpose of facilitating the registration of patents, the Central Government has set up offices in Delhi, Mumbai, Chennai and with its headquarters in Kolkata. The Indian Patent Office is administered by the Office of the Controller General of Patents, Designs & Trade Marks (the 'Controller'). The Central Government has the power to appoint the Controller and other officers of the patent office. The Controller presently coordinates with the Department of Industrial Policy and Promotion (DIPP) under the Ministry of Commerce and Industry.

The Controller in any proceedings before him under this Act shall have the powers of the civil courts. The Controller also has the power to exercise certain discretionary powers after giving the applicant an opportunity of being heard.

### **Where can Information on Granted Patents be Found?**

The Patent Office keeps a record of all the patents granted, specifications and all other documents filed before it. The Patent Office shall have a register of patents containing all details with respect to a particular patent. The Appellate Board has the power to order for making, variation or deletion of any entry in the register on the application of an aggrieved person. The register of patents shall also be open for inspection to the public and certified copies of any entry shall be given to any person on payment of prescribed fee.

### **What are Compulsory Licenses?**

The grant of a patent is subject to certain restrictions on the absolute exploitation of the patent. One such restriction imposed by the Government on grant of patent rights is the grant of compulsory licenses. There are four kinds of compulsory licenses mentioned

under the Patents Act. The first kind, the general compulsory licenses can be granted on satisfying anyone of the following grounds [Section 84]:

1. The reasonable requirements of the public with respect to the patented invention have not been satisfied, or
2. The patented invention is not available to the public at a reasonably affordable price, or
3. The patented invention is not worked in the territory of India.

Licensing of related patents is the second kind of compulsory license available to any person who has the right to work any other patented invention but he is prevented from working the other invention efficiently or to the best advantage possible. In such a circumstance, any person can apply to the Controller for a grant of compulsory license. [Section 91] Thirdly, a compulsory license may be granted to work an invention, if the Central Government is satisfied that certain special circumstances like national emergency, extreme urgency or in cases of public non-commercial use exists for such a grant [Section 92]. Finally, a compulsory license shall be available for manufacture and export of patented pharmaceutical product to any country to address public health problem when such country has allowed such importation of the patented product either through a compulsory license or by notification [Section 92A].

The Controller has a discretionary power to grant a compulsory license. He also has the power to determine and revise the terms and conditions of the license. An application may be made by the patentee or any interested person to the Controller for the termination of a compulsory license granted under section 84 on the ground that the circumstances under which the license was granted no longer exist and they are unlikely to recur.



**Natco Pharma Ltd v. Bayer Corporation**

*Natco Pharma is the first Indian case where a compulsory license under Section 84 has been granted over Bayer's patent for their cancer drug Sorafenib (market name, 'Nexavar'). Bayer had launched Nexavar in the Indian market after required regulatory approval in 2008. The cost of the drug for a month's treatment amounted to over 2.8 lakhs rupees. Natco sought for a voluntary license from Bayer, which was refused by the Patentee and subsequently Natco filed an application for compulsory licensing after three years from the grant of patent. Natco sought for a compulsory license under Section 84 on the grounds that the drug was exorbitantly priced and was not fully marketed across India. Natco proposed to manufacture and market the drug at Rupees 8,800/-. The Controller had to consider three substantial issues before granting a compulsory license.*

*The first issue before the Controller was whether the reasonable requirements of the public with respect to the patented invention has been fulfilled. The Controller while deciding the issue in negative held that the criteria for reasonable requirements shall be fulfilled by the measures taken by the patentee or its licensees and cannot be fulfilled with an alleged infringer. Secondly, the Controller had to consider whether the patented invention is available to the public at a reasonably affordable price.*

*The Controller was of the view that reasonably affordable price has to be construed predominantly with reference to the public. On the basis of the fact that the drug was priced at 2.8 lakhs rupees, it was declared that Nexavar drug was not reasonably affordable to the Indian public at large. The third issue that had to be decided was whether the patented invention is worked in the territory of India. The Controller held that the working requirement cannot be restricted to mean working on a commercial scale in India. By placing reliance on the Paris Convention, TRIPS Agreement and the Patents Act, the Controller held that 'worked in the territory of India' means 'manufactured to a reasonable extent in India.' The Controller also answered this question in negative on the basis that Patentee does not have any manufacturing facilities for manufacturing drugs in India and also failed to issue a voluntary license to the applicant to manufacture the patent in India. Therefore, the Controller granted a compulsory license to Natco to manufacture and market the cancer drug Nexavar.*



### **Whether the Government Use or Acquire any Invention?**

A patent granted shall have the same effect against the government as against any third party. However, the government does not completely exclude itself from use of an invention protected by the Patents Act. The Central Government and any person authorized in writing by it is empowered under the Patents Act to use inventions and patents and also acquire inventions for public purpose. An invention is said to be used for the purposes of the government if it is made, used, exercised or vended for the purposes of the government. Generally, in case of a use or acquisition of a patent the Central Government shall adequately compensate the patentee by paying a certain royalty or any other such remuneration decided by the government and the patentee.

### **Who are Patent Agents?**

A patent agent is a person registered under the Patents Act who is entitled to practice before the Controller. The patent agent is entitled to prepare all documents, transact all businesses, and discharge such other functions in any proceeding before the Controller. Any person who satisfies the qualifications and conditions stipulated under the Patents Act may become a patent agent by making an application in the prescribed form. The Patent Office conducts the Patent Agent Examination for selecting patent agents. A patent agent who is authorized to act on behalf of the patent applicant may sign all the applications and communications made to the Controller with regard to the application. The Controller shall maintain the register of patent agents which will contain the names, addresses and other details of patent agents registered under the Act and the rules.

### **What are International Applications? Can they be filed in India?**

The Patent Cooperation Treaty (PCT) has a procedure to assist applicants in seeking patent protection across the globe for their inventions by filing a single patent application, also called the PCT or the international application. By filing a single application under the PCT, applicants can seek patent protection in 151 countries instead of filing separate application in each of the country. India is also a signatory to the PCT and has now been accorded the status of International Searching Authority and International Preliminary Examining Authority. An international application can also

be filed in India by a resident or a national of India with the Indian Patent Office at Delhi, Mumbai, Chennai or Kolkata. The application shall be filed in triplicate either in English or Hindi. A person can also file a convention application under Section 135.

## CHAPTER 3

### PATENT ENFORCEMENT

#### **How are Patents Enforced?**

Patent enforcement refers to a suit filed by the patentee against third parties who have infringed the patent. A suit for infringement of patent can be instituted by the patentee, licensees and co-owners. A suit for infringement of a patent shall be instituted in a district court or a high court having jurisdiction to try the suit. However, where a counter-claim for revocation of patent is made by the defendant, the suit, along with the counter-claim, shall be transferred to the high court for decision.

#### **What is Patent Infringement?**

The term infringement is not defined under the Patents Act. However, it is understood to mean any intrusion into the scope of the invention for which protection is claimed. Infringement of patent may refer to any of those prohibited acts with respect to a patented invention which violates the patentee's right and against which he has a remedy.

The first step in determining whether there has been infringement of a patent would require to determine the scope of protection offered to the invention. The scope of an invention can be determined by constructing the claims in the complete specification. Secondly the act of a party should have violated the exclusive rights granted to the patentee during the term of the patent. Any third party without consent, either by himself or through an agent, commits an act over which the patentee has an exclusive right shall be liable for infringement. Moreover, the act so committed should also not be an excluded act as per the Patents Act.

#### **What are the Defences to Patent Infringement?**

The Patents Act excludes certain acts from the purview of patent infringement and any person committing such an act would not have any liability. A patent is granted by the government subject to certain conditions that it can be made use by the government,

including for importation of patented medicine, and also be used for experiment and research purposes.

Every ground on which a patent may be revoked under Section 64 shall be available as a ground for defence in a suit for infringement. The Patents Act exempts acts done for procuring regulatory approval with regard to patented products during the term of the patent, which is popularly known as Bolar exemption [Section 107A(a)]. Parallel importation of patented goods would not also amount to infringement of patent. It refers to the importation of patented products from a country in which the products are legally available in the market [Section 107A(b)].

### **What are the Reliefs Available in Cases of Patent Infringement?**

The patent holder has certain statutory forms of relief available at his disposal in case of a patent infringement. The plaintiff at the first instance could seek for an injunction of infringing activities. The court, at its discretion has the power to issue an order to stop any activities that violates the rights of the patentee. The plaintiff may either pray for damages or an account of profit. Apart, the patentee will be also entitled to an order to seize, forfeit or destroy the infringing goods so that the same do not come into the market and compete with the patentee's goods. Additionally, the patentee may also be entitled to a relief with regard to infringement of a partially valid specification, a certificate of validity upholding the validity of a claim by the high court and costs of the proceedings.

### **What are the Reliefs Open to a Potential Infringer?**

The Patents Act provides for statutory relief for persons who apprehends an infringement action. In cases where a competitor believes that it is not infringing any existing patent, it has an option to continue its business without fearing any infringement action or any order of injunction restraining its activities. The competitor can do so by approaching the court seeking a declaration for non-infringement, i.e., an order from the court that its acts do not amount to infringement of an existing patent [Section 105].

Moreover, in cases where any person threatens any other person with proceedings for infringement of patent by the way of circulars or advertisements or by communications, the later person can bring a suit against him. In cases of such groundless threats, the aggrieved person can seek reliefs from the court in the nature of- (a) declaration to the

effect that the threats are unjustifiable, (b) injunction against continuance of threats, and (c) damages sustained. It is pertinent to note here that a mere notification of the existence of a patent does not constitute a threat [Section 106].

### **What is an Appellate Board?**

The Government of India has constituted the Intellectual Property Appellate Board (IPAB) to hear and adjudicate appeals from most of the decisions, or directions made by the Controller of Patents. The IPAB has its headquarters at Chennai and has sittings at Chennai, Mumbai, Delhi, Kolkata and Ahmedabad. An appeal to the IPAB from the

#### **Yahoo Inc. v. Controller, and rediff.com India limited**

*This case is one of the important decisions regarding patentability of business method patents in India. A patent application was filed for an invention titled, “A method of operating a computer network search apparatus” (NSA). The appellant has approached the IPAB against the decision of the Controller in a pre-grant opposition filed by Rediff.com challenging its novelty and patentability. The IPAB while going through the merits of the case set aside the order of the Controller holding that the invention is anticipated by prior art and not novel. The IPAB held that claims claimed in the patent application for NSA was novel and would not be anticipated by prior claims and prior publications.*

*The IPAB had to consider whether the invention claimed in the application was a patentable subject matter. The Board while rejecting the appellant’s claims held that the claimed invention is an electronic way of doing the advertisement business. Moreover, the technical advance that is claimed over the existing art is only an improvement in the method of doing business and Section 3(k) categorically excludes methods of doing business as patentable subject matter. The IPAB also compared laws relating to business methods in other legal jurisdictions, it concluded that in contrast to foreign jurisdictions, the statutory language adopted in India clearly excludes ‘business methods’.*

*The appellants placed reliance on several patents granted for business methods to Google and others. The Board however rejected the argument and held that the patentability bar cannot be ignored merely because of erroneous decisions in other cases have been issued.*

decision of the Controller must be made within three months from such decision. However, the orders passed by the Central Government relating to inventions where secrecy directions have been issued, revoked where patent was contrary or prejudicial to public interest or relates to atomic energy. The Central Government shall also appoint a Chairman of the IPAB along with other officers and employees. The IPAB also has original jurisdiction to entertain revocation petitions.

### **What are the Penalties under the Patents Act?**

Infringement of patent is not a criminal offence unlike infringement of trademarks and copyright. The remedies sought by the plaintiff in a suit for infringement shall always be civil in nature. However, the Patents Act have the following penal provisions—

1. Failure to comply with secrecy direction issues or makes an application in a foreign country without the Controller's permission is punishable by a term which may extend to two years or fine, or both.
2. Making false entries in the register shall be punishable by a term which may extend to two years or fine, or both.
3. Unauthorized claim of patent rights is punishable with a fine which may extend to one lakh rupees.
4. Wrongful use of the word "patent office" shall be punishable by a term which may extend to six months or fine, or both.
5. Failure to supply in information to the Central Government or the Controller under Section 100(5) and Section 146 respectively shall be punishable with fine which may extend to ten lakh rupees.
6. Practice by non-registered patent agent shall be punishable with fine which may extend to one lakh rupees in the first instance and five lakh rupees in the case of second and subsequent offence.

### **What is Patent Licensing?**

Patent Licensing refers to a contract between the patentee and any other person (licensee), where the patentee may grant permission to the licensee to make, sell, use, offer for sale or import the patented invention, in return for a royalty or any other compensation. The terms and conditions of the patent shall be reduced in writing to the form of a document and shall be signed by both the parties. The licensee is also required to request the Controller to register the title or interest in the patent and make

appropriate changes in the patent register. Moreover, the patent act makes it unlawful to insert certain restrictive clauses as void. However, the patentee has the right to grant an exclusive license to a particular person.

