Indian IP Spotlight

New Draft Patent (Amendment) Rules 2015

Impact of Court Orders at the Indian Patent Office

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The Indian intellectual property scenario is developing at a very fast rate in India and one finds some or the other newspaper headline related to the same. This section is devoted to presenting the current Indian IP news in the limelight to keep the readers abreast of the latest trends. The spotlight for November 2015 is the draft Patent Amendment Rules proposed to expedite examination of patent applications and as directed by the courts and also several other procedural changes. Any comments or suggestions may be sent to IPneeti@outlook.com or neeti@anandandanand.com.

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The Indian Patent Office has taken action in view of the Nitto Denko Corporation v UOI and Ors order to expedite the processing of the patent applications in India for getting expedited grants and has proposed new Draft Patent Rules 2015. Public comments/objections are invited to the said rules. The new rules are important mainly for the introduction of an altogether new process of expedited examination of patent applications. However, there are several significant changes proposed in the procedure of the functioning of The Indian Patent office.

There has been huge back log at the Indian patent office in issuance of the examination reports and hence delay in grant. In the case of Nitto Denko Corporation, the Delhi High Court had directed the patent office to respond to the objections raised by the applicant for delayed examination, as well as asked for a response in general as to what is the state of affairs in the Patents Office with regard to the issuance of the first examination reports. All the details were submitted to the Court and now the Draft Rules have been circulated to bring the proposals into effect.

Prosecution Timeline

The prosecution timeline once the Examination report is issued has drastically been reduced in the proposed Rules from 12 months to 4 months. There is a possibility of extension up to 2 months. The Controller is to issue a decision within 2 months from the response and in case a hearing is fixed the decision is to be within 6 months of the final submissions. As for the already pending cases, a deadline of two years has been fixed for the decision. Additionally, in case of divisional applications, in the proposed Rules the examination of the divisional applications is proposed to be tagged along with parent, if pending.

In case of any opposition to the patent applications or the granted patents, the decisions are to be issued within one month of final hearing as per the new Rules.

Extensions/Adjournments

No time extensions would be permissible for certain actions under the new Rules such as those for national phase entry of a PCT application, filing of request for examination, filing of pre-grant opposition reply statement, requesting review of Controller decision, and payment of renewal fee of a lapsed patent after its statutory extended time.

Importantly, hearing adjournment requests would need to be now made five days in advance of the hearing date with the possibility of only three adjournments and that too of not more than 15 days each.

This is in consonance of the Patent Office plans to clear the backlog of such pending applications in a time bound manner. Further, newer opportunities are being provided in the new Rules.

Expedited Examination Request

A new provision, Expedited Examination process has been introduced – New Rule 24(c); as was envisaged in the report submitted before the Delhi
High Court in the Nitto Denko Corporation case. Though there are several strict requirements to be fulfilled in order to make such request, this proposal is a new and welcome development. The working or manufacture of patented invention in India is the main criteria for expediting examination.

The proposed eligibility for such out-of-turn examination appears very restricted and based on conservative approach by linking the examination to working by way of manufacture in India along with proof of finances and facilities for the same. Though they are not subject to the condition to sufficiently meet the reasonable public requirement for the invention in India, as this declaration of meeting public requirements in the commercial working statement (Form 27) also seems to be done away with.

Any false representation, even if found later, would lead to abandonment of patent as per the proposed Rules. No extension is permissible in the processing timelines in such cases.

The fee proposed for the expedited examination request is more than 7 times the ordinary request fee, and therefore it would be a deterrent for all applicants to request for the expedited process.

**Withdrawal of Application and Fee Refund**

The high fee for the expedited examination comes with another welcome provision of withdrawal of the application with refund of fee. This is the very first time that the Indian Patent Office will ever refund fee in an obligatory manner.

The withdrawal of application is without any further official fee and the refund of examination fee would benefit all applicants.

Fee refund has also been provided for in case of double payments which usually happens in case of e-filing of cash documents.

**Fee Cap for Sequence Listing**

The sequence listings submitted in case of biotechnological inventions have been under controversy with the patent office levying fee on the same on a per page basis, when the said sequences are required only electronically. The patent office has now proposed a cap of Rupees 1.6 lakhs on the sequence listing pages. This limitation seems to be very high and completely diverting from patent office’s own proposal of 2010, wherein a fixed fee of Rupees 10,000 was proposed in the draft Rules 2010.

The reaction of the stakeholders with respect to this proposal is to look forward to, especially with cases being pending before the Delhi High Court against the high fees being charged for the sequence listings for paper-pages which are not even submitted under the current rules and are not even required for conducting the required searches by the Patent Office Examiner. The electronic copy submission of the sequence listing is sufficient for all purposes.

**Electronic/Digital**

Moving towards more digital processing, the new Rules propose that even the original documents can be submitted electronically once they are digitally verified. This is an important development, with further provisions for online payments, official communications via email, and specifically providing for video-conference-hearings. In fact, Patent Agents are required to mandatorily file all documents electronically as per the new draft Rules.

**Conclusion**

The New Draft Patents Rules, 2015 with out-of-turn examination of select patent applications is a much awaited change for the patent applicants in India. There are several in-built steps also proposed for speedy action on the application, such as submission of Power of Authority within 3 months.

The new Rules also clarify that the deposit of biological resource, where needed, is to be made within 3 months of filing of application. Also, the National Biodiversity Authority permission, if Indian Biological resource is used in the invention, is required to be submitted prior to grant.

The proposed move indicates a new wave of reform that the government is seriously looking at ways to reform the process of examination of patents. The speeding up all applications would certainly reward a creative and innovation-based economy.

The objections and suggestions to the draft Rules can be submitted at Rajiv.aggarwal@nic.in before 11th December 2015.

**References**