

Patent Law for Engineers and Scientists
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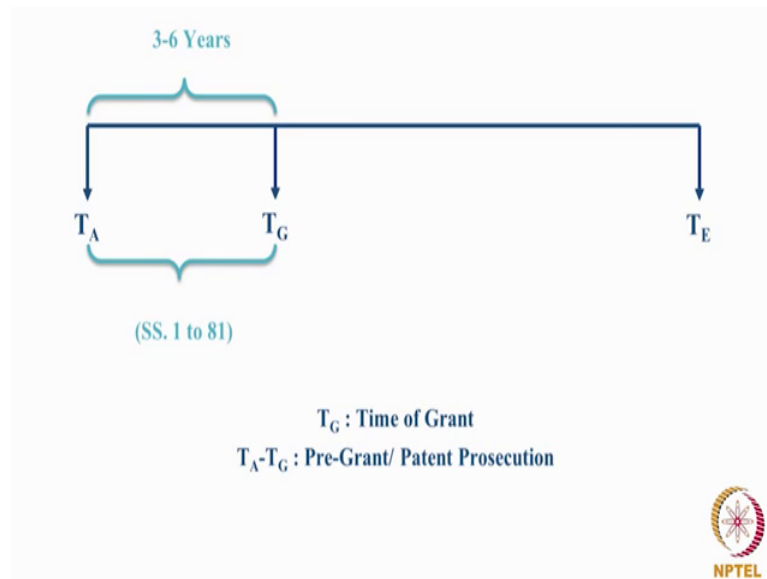
Lecture – 02
Introduction to the Indian Patent System
Understanding the Patents Act and the Rules

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The patents act 1970; as we just mentioned, this course will be thought based on statues. So, our entire focus during this course is going to revolve around the patents act 1970, the corresponding rules and 2 other enactment, but we will have only some passing references made to those 2 enactments concerning the practice before the intellectual property appellate board.

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To understand the patents act, we can look at the timeline of the grant of a patent. The timeline can be defined or described in the form of a diagram, the starting point of the timeline is what we referred to as T_A that is the time of application of a patent and the end point of the timeline can be explained as at the time of expiry of the patent.

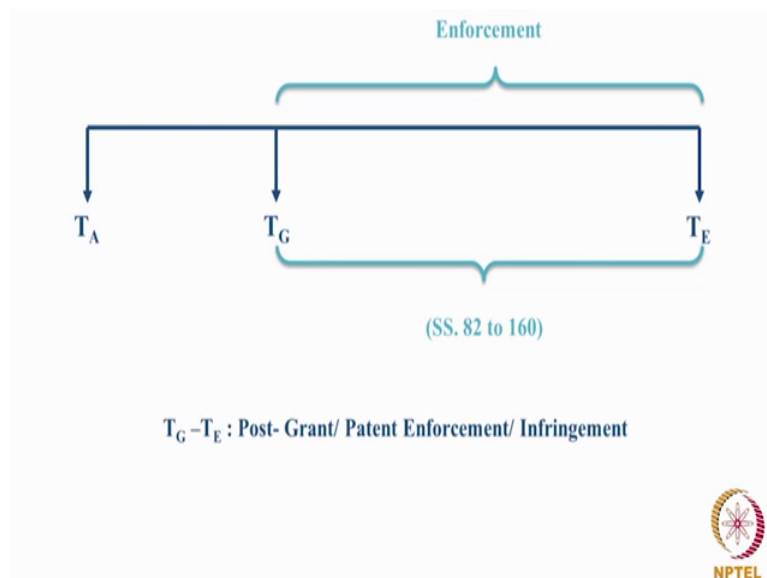
So, the life of a patent is actually between these 2 points it is between T_A and T_E , on an ideal case when a patent is granted it can survive the patent has a 20 year term. So, T_A to T_E in an ideal case is going to be 20 years. So, 20 years is the patent term and we have just described this timeline for you to understand how we can understand the patents act as a provision which can be shown or which come into play between these 2 timelines. So, the entire patents act the enactment that governs the law of patents in India can be understood as interventions between T_A that is time of application and between T_E in the life of a patent now let us see how that looks.

The patent normally takes on an average 3 to 6 years for it to get granted. So, from the day you apply the patent that is from T_A up until T_G that is the time for the grant you have roughly and this is not a set on stone it varies from application to application and it could also be it could vary from patent office to patent office. So, on an average you could say that the time between filing the application the time of application and the time

of a grant the grant is when a patent is granted by the patent office. So, this time period takes roughly 3 to 6 years and the sections in the patents act that govern this stage that is from T A to T G a largely sections 1 to section 81. So, when we refer to the events that happened between T A and T G we are also looking at certain events that happened immediately upon the grant upon TG. So, it is not just the time for the grant, but also certain events that can happen immediately upon the grant or soon after the grant.

So, if you need to draw a line demarcating the patent officer's functions then it will be around section 81. So, anything before section 81 that is section 1 to section 81 are events that happened at the patent office, up until the grant or soon after the grant.

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From T G to T E that is soon after the patent is granted by the patent office the patent have has its remaining life and this time period is what we call the time in which a patent is enforced patent enforcement happens between T G and T E.

Now, when we say patent enforcement we are referring to X, the patent T, the right holder the patent holder exercising his right in the patent now that could come in the way of licences when a patent is granted the patent T has the right to licence his technology, licence his invention it also pertains to measures that a patent T can take to prevent

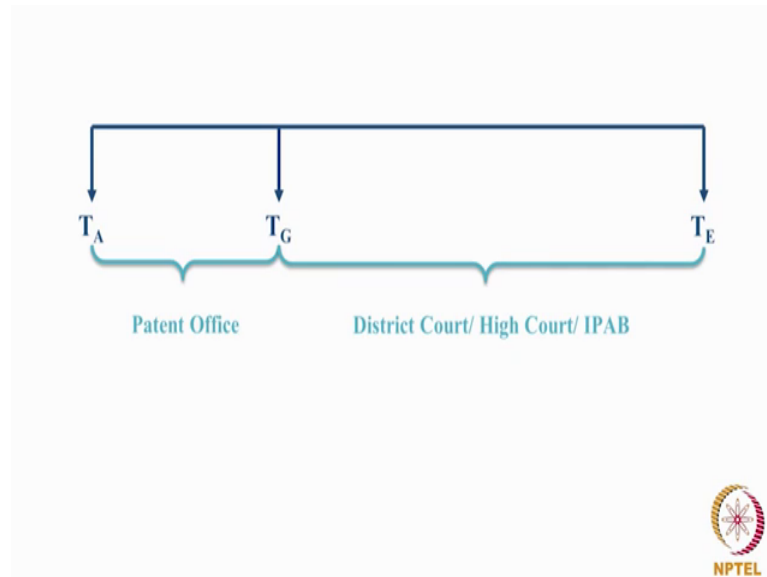
others from interfering with his right. So, when somebody else interferes with his right we call that an infringement. An infringement is an act that intrudes into the right of a patent T the patent T is granted certain rights under section 48 of the patents act he has a right an exclusive right to exclude others. So, it is a right to exclude actually.

He has an exclusive right to exclude others from making the invention from selling the invention from offering for sale from importing and for using the invention now the invention can be a product or a process these details are mentioned in section 48, but largely any intrusion on these sets of rights by a third party without the consent of the patent T is what we refer to as infringement. So, infringement and licensing a licensing is a positive act where the patent T allows his invention to be used by others in most cases for a royalty and enforce and infringement action which is an action taken by the patent T to stop persons who do not have his consent from using his invention.

These 2 acts can together be called patent enforcement the way in which a patent is enforced soon after the time for grant there is a proceeding that can take place in the patent office which is called a post grant opposition or opposition after the grant the language used in the patents act is opposition after the grant, but it is in common parlance it is also called post grant opposition though post grant opposition happen immediately after T G that is one year after T G that is a timeline for the post grant the provisions of post grant are mentioned in section 25 1. So, that is an exception to this middle line that we have told you that anything before 81 is pertains to patent prosecution things that happen in the patent office and anything between T G and T E that is section 82 to 160 that is the; so section one to 160 covers the entire ambit of the patents act. So, anything between 82 to 160 will happen outside the patent office.

So, this time line has some exceptions what exception is what I mentioned post grant oppositions which happen soon after the grant. So, that is why I qualified my statement earlier saying that the time line between T A and T G should be understood as events that happened at the time of grant and soon after the grant.

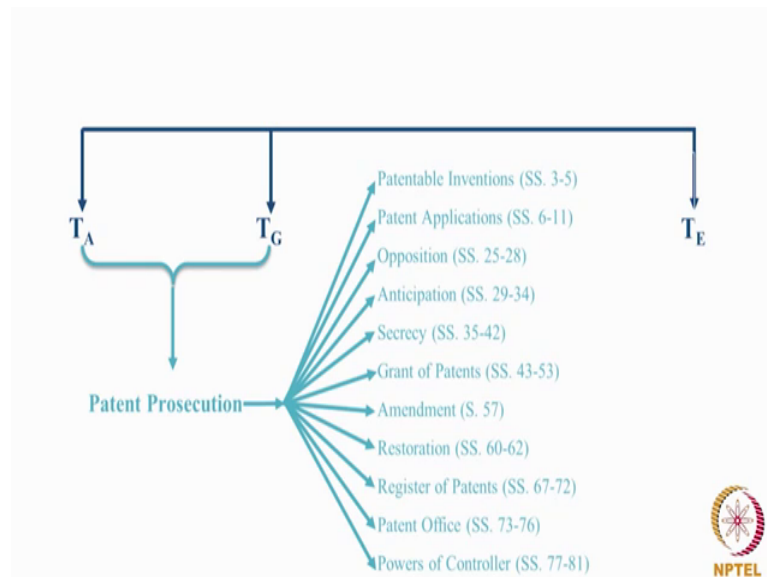
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So, to recap T A to T G are events that happened within the patent office and when we say T G we are also referring to things that happen soon after the grant 2. So, the patent office can look at certain things that happen soon after the grant or which are related to grant for instance compulsory licensing can happen anytime between T G and T E, but still because it is a procedure at the patent office you will find that it is mentioned after section 82, but nevertheless it is considered as a patent office procedure.

Now, the events that happened between the time line between T A and T G normally happens at the patent office and events that happen between T G and T E that is the time of grant and time of expiry could happen before the district court before the high court or before the IPAB that is the intellectual property appellate board the board that sits in appeal over decisions of the patent office now.

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Let us look at a rough list of things that happened between T A and T G because if you are going to take the patent agent examination then the patent agent examination largely focuses on this part of the patents act though there will be questions on what happens between T G and T E, but largely it is going to be between section 1 to 81 with some exceptions too we will cover the exceptions later.

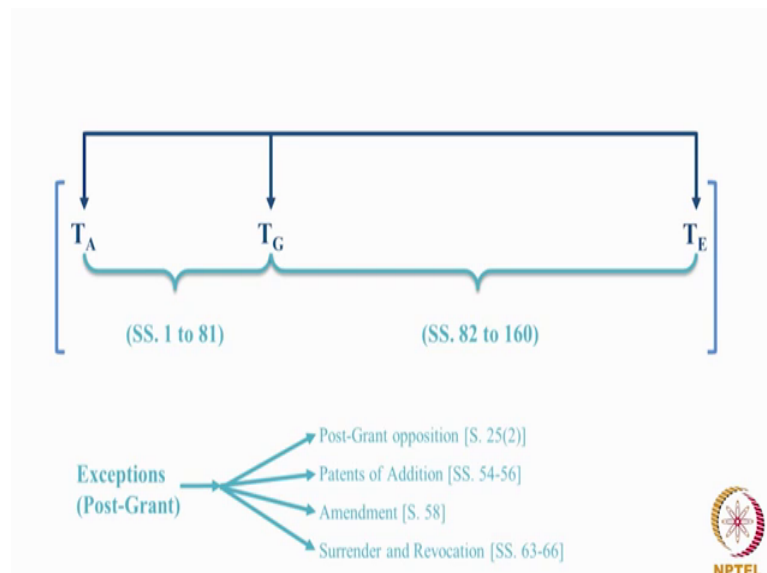
The events that happened at the patent office between the timeline T A and T G are referred to as patent prosecution, now during this time line you have the sections in the patent act deals with a variety of things patentable inventions are described in sections 3 to 5 patent applications are referred to in section 6 to 11, the procedure for opposition is mentioned in section 25 to 28, this includes pre-grant and post grant post grant is something that happens at the patent office one year after the grant it can be initiated within one year period after the grant.

Then you have the provisions on anticipation, the exceptions to anticipation in sections 29 to 34, we have secrecy provisions in sections 35 to 42 then the grant of the patent there are sections covering the grant because grant could be seen as the T G starts with the grant, but there are provisions which go beyond grant too because we mention that things that happen upon the grant soon after the grant could come under the T G. So, you have grant of patents covered under sections 43 to 53 then we have amendment at the patent office at section 57, then restoration of lapsed patents for non payment of renewal

fees are covered again a procedure at the patent office these are covered in section 60 to 62 then the patent office maintains a register of patents that is contained in sections 67 and 72.

Then the patent office has certain powers and functions are the structure of the patent office these are covered in section 73 to 76 and the powers of the controller in general are covered in section 77 to 81. Now this is not an exhaustive list because as we mentioned before patent prosecution can also go beyond section 81 in few cases the exceptions.

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The exceptions where the patent prosecution can go beyond section 81 or rather the exceptions where there are certain acts between section 1 and 81 which do not put into things that happen things that happen between the timeline T A and T G are the following. Post-Grant opposition under section 25 to though it comes between sections 1 to 81 it actually happens after T G.

Though at the patent office it happens the time for it occurring is after T G because a patent to be opposed under post grant opposition it has to be granted in the first place. So, you find that post grant opposition is an exception in the sense that it is an event that

happens after the grant. So, it comes after T G similarly patents of addition though it is mentioned under section 54 to 56 which again comes within the sections between 1 to 81 are events that happened after the grant, you could only file a patent of addition if you have already filed a patent in the first place.

A amendment under section 58 is not an amendment that takes place before the patent office. It is an amendment that can take place before the intellectual property appellate board or the high court. Though it comes within sections 1 to 81 in the scheme that we had mentioned amendments are at the patent office at the IPAB or the high court happened after T G.

Surrender and revocation which are covered in section 63 to 66 can happen only after the patent is granted again these events happened after T G. So, on a hold T A to T G is governed by sections 1 to 81 you have few exceptions where the sections between 1 to 81 may have its impact after T G after the grant of the patent. So, this time line the time line between T A to T E the time of application of a patent to the time of expiry of a patent can be used to understand the entire syllabus of the patents act. So, you have broadly sections 1 to 81 covering the events up until the grant what we refer to as T G the time for grant and soon after the grant you have sections 82 to 160 which cover the events that happened after the grant the events between T A and T G are referred to as patent prosecution things that happened at the patent office and the events that occur between T G and T E are referred to as patent enforcement events that happened in the district court the high court or the intellectual property appellate board.

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Amendments

- Act amended three times
 - Patent Amendment Acts; 1999, 2002, 2005
- Rules amended six times
 - Patent Rules, 2003; amended in 2005, 2006, 2013, 2014 and 2016



We just saw how the patents act can be understood by looking at the life of a patent, the life of a patent starts with T A that is the time when a patent application is made before the patent office and it expires ideally after period of 20 years at T E which is the time for expiry of the patent. Now this timeline is mimicked by the patent act itself the patent act the initial sections start with how to apply for a patent and towards the end the patents act talks about powers of various authorities involved in the patent system and it also talks about how the government can acquire a news. So, you have the entire patent act structure around the life of a patent and the life of a patent at we had shown diagrammatically is described as events that happened between the time for application of a patent T A and the time for expiry of the granted patent T E.

The patent rules 2003 also follow the same patent the patent rules are nothing, but details of the provisions contained in the act the rules describe the details of the provisions contained in the act. So, the act follows the same structure since the act follows a particular structure the rules also follow the same structure. So, if you look at the index of the rules the rules are also structured in the same manner. So, you could also classify the rules the way in which we have classified the act something beginning with application and ending with expiry the act and the rules were amended a number of times and these amendments the amendments that we really need to focus on are amendments

that came about after India became a member of the world trade organisation WTO.

So, when we became a member of the WTO, the WTO has an agreement on intellectual property rights called the TRIPS agreement which stands for trade related aspects of intellectual property rights, the TRIPS agreement brought about certain changes in the intellectual property regime of its member nations all member countries of the WTO were required to have certain common minimum standards on intellectual property rights with regard to patents it meant among other things that all countries will grant the universal patent term of 20 years earlier different countries had different grant times, now after the coming into force of the TRIPS agreement under the WTO all countries who are members to the WTO grant a patent for 20 years.

So, the term of the patent is now universal in that sense. So, India had to carry out various amendments. So, the patent act was amended in 1999 to bring about certain provisions and then again there was an amendment in 2002 and the last amendment came in 2005. So, with the 2005 amendment the Indian law was in complete compliance with the obligations under the TRIPS, now why did we do it in 3 sets of amendments little bit of history will tell us that India had actually taken the benefit of a transition period which allowed some developing countries to bring their loss in compliance over a 10 year period.

So, that TRIPS agreement under the WTO allowed developing countries to bring in the compliance in a phased manner. So, we took advantage of that provision which gave us a 10 year lead time to bring the amendments in place and that explains why we had this phased amendment around the same time the rules were also amended the rules the patent rules were amended in 2003 and they were again amended in 2005. Now the 2003 was a overhaul of the earlier rules the earlier rules were the patent rules 1972, this is complete overhaul and in 2005, there were some amendments to it importantly after 2005, there has been a series of amendments we had an amendment of the rules in 2006, we had an amendment in 2013 and again in 2014 and in 2016. Now if you look at an updated version of the rules you will find these amendments mentioned in various foot notes. So, you when you see an updated copy of the rules you will be able to see which amendment came at what time. So, what were the amendments brought by the 2014 the foot note will tell you the detail.


Now, what does this tell us why is it that before 2005 the patents act had to be amended 3 times and where as the patent rules were amended only twice, but after 2005 we have had 4 further amendments of the rules and not of the act now this tells us the structure in which the patent laws are designed and enforced the acts are passed by the parliament. So, they are central legislations passed by the union government where as the rules are rules made by the central government they are not like the act they are not prepared in the form of the bill and placed in the houses of parliament for approval and then it does not require a presidential sign where as rules can be made without going through this process and it can be created by the central government internally it is something it is a process that is internally driven.

Because act requires the parliament to pass it the acts are written in a very broad language wherever you need to have some details they would leave the rules to prescribe the details. So, the act can be understood as something which gives the broad rule whereas, the rules are descriptive of the details that were not described in the act. So, we understand the rules as given the details of the things that were not mentioned in the act we will look at a few examples in detail.

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Patents Act, 1970

- **Act:** sections
- Act is the creation of the Parliament
- Bill
 - Presented before the House
 - Moves to the the other House
 - Receives Presidential Assent



The structure of the patents act the patent act comprises of various sections. So, the

smallest unit of the act are the sections the patents act comprises of sections from 162, we have this section of the patents act 162 is actually repeal and savings provision. So, that is the reason we did not mention it in the earlier time line we had stopped at 160 because 162 is a repeal provision.

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Patents Rules, 2003

- **Rules:** 139 rules, 5 schedules
- **Fees:** First Schedule & Fifth Schedule
 - **Table I:** Fees Payable
 - **Table II:** Fees Refundable
 - **Fifth Schedule:** Fees for International Applications

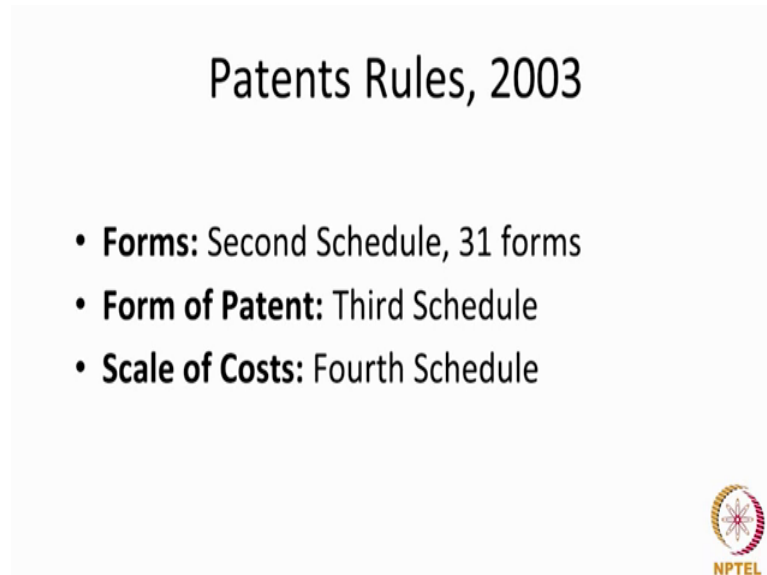


As we mentioned act is a creation of a parliament it takes its life in the form of a bill the bill is presented before a house then it moves to the other house and later it receives the presidential assent rules the basic unit of the rules are the rules themselves, you have 139 rules in the patent rules, 2003 and we have 5 schedules, the patents act also has 1 schedule, but that 1 schedule refers to the amendments to the Indian patents and designs act nineteen 11 its schedule to the patents act refers to the repeal and savings provisions. So, that is not something to worry about it pertains to amendments to the Indian patents and designs act 1911. So, the patent rules 2003 comprises of 139 rules and 5 schedules the first schedule and the fifth schedule deal with fees the official fees that has to be paid before the patent office when an application is prosecuted.

Table one talks about fees payable for various events table 2 talks about the fees that are refundable and we are talking about the first schedule the first schedule is further classified into table one and table 2 the fifth schedule talks about fees for international application. So, of the 5 schedules 2 schedules that is the first schedule and the fifth

schedule deal with fees either fees file before the domestic patent office for local patent applications or what we call Indian applications or for international applications.

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The second schedule list the various forms that an applicant needs to use while filing things before the patent office. So, we have different forms there is form one for filing a patent application there is form 2 which is the form for the complete specification for the provisional specification you have various forms.

The second schedule has thirty one forms and it is important to know these forms because we need to understand what form can be used for which procedure for doing certain things the third schedule describes the form of a patent when a patent is granted it is granted on this form, we soon looking at the form the form of a patent is the certificate of the grant the grant is made in the form that is mentioned in the third schedule. The forth schedule deals with the scale of costs in certain proceedings before the patent office the patent office has the power to avoid costs to the succeeding party if there are 2 parties and if one party succeeds the patent office can avoid costs to be paid by the losing party to the succeeding party. So, it gives the scale of costs these are the how to compute the cost so that they can be an order on costs.

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Patents Rules, 2003

- Rules provide the details
- “as may be prescribed” (Section 8)
- Amending the Act is a problem
- **Details:**
 - Margin of Specification
 - Fees prescribed



As I mentioned before the rules provide the details for instance if you take section 8 of the patents act section 8 deals with information and undertaking regarding foreign applications you will find in some places the act says I am reading from section 8 sub section 2 towards the end and in that even the applicants shall furnish to the controller information available to him within such period as may be prescribed.

Now what this prescription is not there in the act what is the period that as may be prescribed is not mentioned anywhere in the act, the period as may be prescribed is mentioned in the rules the reason for that is for some reason is this period needs to be changed it can be done by a simple process of the central government making or amending the rules it need not go back to the parliament and there not be a presidential assent to that process. So, that is why you find this generic language repeated in various parts of the patents act as may be prescribed within the prescribed period within the time prescribed now all these variations are used so that if you need to change the law there is no need for you to go back to the parliament and to get bill par move in both the houses of the parliament followed by getting the presidential assent.

So, the rules are designed to fill in these gaps which may be required as time change for instance you can look at their fees in the first schedule the fees will constantly change as


inflation shows up or as the economy grows the fees structure will have to change. So, that structure of changing the fees can be done by changing the patent rules rather than the patents act. So, wherever you find this language in the act as may be prescribed within the prescribed period within the prescribed time you will find that there is a corresponding reference to the details how many months or how many years in the rules and this is largely to ensure smooth functioning of the patent system because amending the act is a problem in the sense that the procedure is a detailed one and it takes time to amend the act.

Now, the act the rules also contains a wide variety of details the rules one at a very broad level it describes these generic phrases as may be prescribed the timeline or the fees that is prescribed you will find it in the rules. So, any time line that has to be maintained most likely to file at that time line described in the corresponding rules the fees that have to be paid has will again can be found in the rules in scheduled the first schedule or the fifth schedule the patent rules also describes some details which normally you will not find in the act for instance if you want to know what should be the margin space in a specification you will not find in the act. But the rules does mention that what should be the fee payable for filing complete specification again the fee can vary if you are a individual it can vary if you are a small entity it can be a different fee if you are a corporate entities. So, all these details you will find it in the patent rules.

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Patents Rules, 2003

- Not passed by the Parliament
- Made by the Central Government
- Section 159
- First page
“...therefore, in exercise of the powers conferred by section 159..”
- Delegated legislation



And because the rules are not passed by the parliament and because they are made by the central government it gives the flexibility for the central government to come up with the rules as and when they are required. Now the power for the central government to make the rules is contained in the act section 159 of the act gives the power of the central government to make rules on a host of things which I mentioned in subsection 2 of 159. So, the power to make the rules was given by the parliament to the central government through section 159 and if you see the patent rules on the first page of the patent rules you will find in the preamble a statement therefore, in exercise of the powers conferred by section 159 the central government hereby makes the following rules that is a standard statement.

So, if you know the rules you will know that the rules are what we call delegated legislation they are derived from the act the act gives the power to make the rules and because the act gives the power to make the rules the rules have to be within that framework, the rules cannot go beyond the framework for instance the rules cannot change the term of the patent the term of a patent is mentioned in the act and as I just mentioned this is something which India had to comply with because of the obligation under the WTO.

So, it was not international obligation that got incorporated into the act the rules cannot now make the term they cannot lessen the term or they cannot increase the term because the rules can only do things for which there is authority given under the act and the authority you will find in section 159 on the things for under which the central government can make rules in that sense this is what we called delegated legislation the rule making power is delegated to the central government.

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Patents Rules, 2003

- Rules are passed after the Act
- No need to amend the Act to change the details
- 2016 Amendment Rules: Many details on startups, small entity, expedited examination, withdrawal of application etc.



Because they are delegated rules are passed after the act is past for instance in the patent act came into force for the first time this was in the year 1970, the corresponding patent rules the patent rules in 1972 came 2 years later on. But you could also have instances where the patent act and the rules come simultaneously, but the rules can never receive the act the reason why the rules contain the detail is that there is no need to amend the act to change the details.

One of the recent amendments that came in the year was a patent amendment rules 2016, now these contain many details on start-up small entity how expedited examination of certain applications can happen how you could withdraw an application and get refund of fees various details were covered in these rules now.

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Patents Rules, 2003

- Can have any number of amendments
- Act will not mention the details
- Gives operational flexibility
- Rules cannot exceed the mandate of the Act



The rules can be amended any number of times and as I mentioned because it can be done by the central government and there is no need to seek a bill before the parliament it becomes easier for them to pass the changes by way of amending the rules and we have already seen that there are cases where the act will not mention the details the act will just broadly phrase in a broad language as may be prescribed within the time prescribed. And the details will be mentioned in the corresponding rules this gives the patent office and the patent system the operational flexibility and as I mentioned before the rules cannot exceed the mandate of the act.

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Patents Manual (MPPP aka MP3)

- **Not binding:** No force of law
- Manual available at the Patent Office website
- Manual not binding on the Patent Office
- Manual details the guidelines
- **Source of information:** Act and Rules silent



Apart from the act and the rules now we saw the patents act 1970 and the patent rules 2003, there are certain details mentioned in what we call the patent manual patents manual, now this is called the manual of patent procedure and practice it is MPPP or MP3. Now we will have reference to the patent manual in various places during this course the manual the manual latest version of the manual is available at the patent office website it does not have the force of law a manual at best can be regarded as guidelines on how the patent office operates how the patent office procedures are and the manual explicitly mentions that it is not binding on the patent office. So, we cannot use the manual to force the patent office to take a particular decision in a particular way because the manual is a guideline of probably the best practices or the practices that is followed by the patent office.

So, if it does not have the force of law and the last manual available is not updated in line with the patent amendment rules 2016 though we hear that the new version of a manual could be out any time. So, if it does not have the force of law and if it is not binding on the patent office and why do we need this manual now the manual contains details on certain guidelines and it is important to understand these guidelines because these guidelines throw light in cases where the act and the rules are silent. So, we look at the patents manual a manual of patent procedure and practice as a document which gives us

information on issues where the acts and the rules are silent.