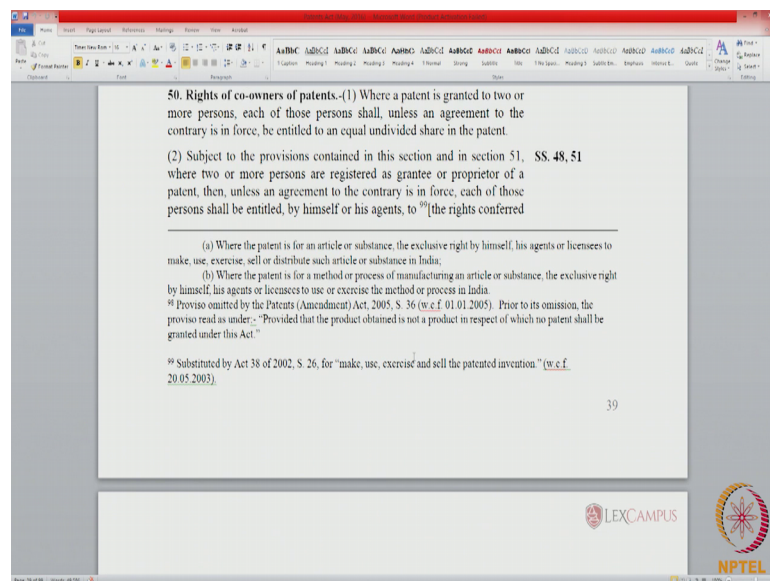


Patent Law for Engineers and Scientists
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Lecture - 49
Patent Prosecution: Practice at the Patent Office
Rights of Co-Owners of Patents & Power of Controller to give directions

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Section 50: right of co-owners of patents. So, far we had seen provisions where there were joint applicants and how is there were any disputes with regard to joint applicants, how those disputes would be addressed by the controller. Now we saw this in section 20, the controller has certain powers to make orders regarding substitution of applicants and we saw specific cases where application was made jointly by more than one applicant. Now with regard to rights of an applicant section 20 covers how their rights will operate and what to do if there is a dispute with regard to their rights.

Section 50 covers the rights of owners of patents. Now we assume here because sequentially section 50 comes after section 43 and section 43 we have already mentioned is the section which grants the patent. So, we are looking at provisions that effect after the grant of a patent. Now 50 talks about rights of co-owners of a patent, now we refer to a person as an applicant before the grant, and after the grant he is called the owner or the patentee. 51 where a patent is granted to two or more persons each of those person shall

unless any agreement to the contrary in force be entitled to an equal undivided share in the patent.

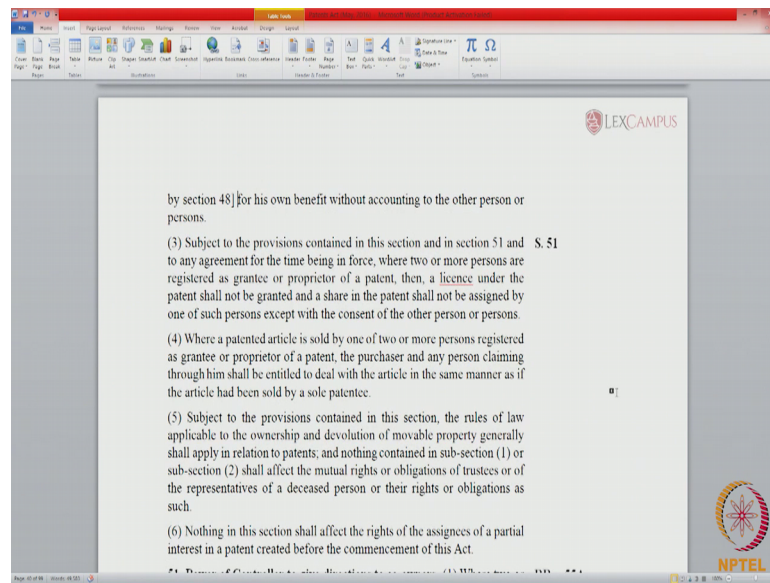
So, if the patent is granted to three owners there are three persons, whose name appears as the patentee then they will have an undivided share in the patent. Each one I will have 33.33 percentage or one third each will have a one third share in the patent unless there is an agreement to the contrary. If there is an agreement to the contrary say that three patent owners are a b and c, and there is an agreement which is that a will take 50 percent of the ownership in the patent, b will take 25 and c will also take 25, then that specific agreement will prevail. In the absence of an agreement it will be understood that all the co-owners took shares equally, and their share in the patent and this is important to note for intellectual property rights their share in the patent is an undivided share.

Because of the nature of the technology, they cannot have a; they cannot specifically allocate their share. So, it is an undivided share in the patent. So, they are entitled to an equal undivided share, if there is an agreement to the contrary then they are entitled to an undivided share nevertheless in the manner in which they have agreed between themselves.

So, they will have an undivided share in the ratio 50 is to 25 is to 25, but nevertheless the share would remain an undivided share. Section 52 states that where two or more persons are registered as grantee or proprietor, then unless there is an agreement to the contrary each of those person shall be entitled to the rights conferred under forty eight for his own benefit without accounting the other person or other persons.

For instance if there are three grantees a b and c, and there is an infringement that a detects. Now a can initiate action for infringement because a s rights under section 48 involves his right to exclude any person without his consent from making selling offering for sale using or importing the invention. So, if any of these acts happen, a can take action against the infringement.

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53 subject to provisions contained in this section and in section 51, and to any agreement for the time being in force where two or more persons are registered as grantee or proprietor of a patent then a license under the patent should not be granted and a share in a patent shall not be assigned by one of the such person, except with the consent of the other person or persons.

Now, this talks about licenses that are issued by joint owners. A joint owner cannot issue a co-owner we use the word co-owner, a co-owner cannot issue a license or share in a patent shall not be assigned except with the consent of the other persons. Now 53 talks about exploiting a patent; say commercializing a patent or generating revenue with a patent. If there are three co-owners, a cannot license the patent or share either the entire patent or a share in a patent, he cannot assign the share in a patent except with the consent of the other two co-owners b and c.

Now, this is because exploiting a patent would mean that all the three co-owners should be equally benefited if there is no agreement to the contrary. If there is an agreement saying that b and c will not want any remuneration or any benefit from the patent, and a is given a sole authority to monetize it, then a will be allowed to deal with third parties without the consent of b and c. But in the absence of an agreement then a cannot exploit the patent without the consent of b and c. 54 where a patented article is sold by one or more persons registered as grantee or proprietor of a patent, the purchaser and any person

claiming through him shall be entitled to deal with the article in the same manner as if the article has been sold by a sole patentee.

Now, if a patented article is sold by one of the two or more registered by; now again we come back to the a b c owners, a b and c are owners co-owners of a patent and the patented article is sold by a. Purchaser or any person claiming through him is entitled to deal with the article in the same manner as if the article was sold by a sole patentee. Now just because a purchaser brought the patented article from a, it would be assess he had bought it from a sole patentee. So, if a acts as an owner of a patent and the purchaser does not deal with b and c, it will be assess a b and c had together sold the property or the patented article to the purchaser. Now this incorporates the principle of agency if there are three owners; if one owner represents the one owner can act as an agent for the other two owners.

So, any person who deals with that one person it will be as though he had dealt with all the other three. So, that is why the provisions say a purchaser shall deal with the article in the same manner as if the article has been sold by a sole patentee, where all the rights vest in one person. Section 55 states that the rules of law applicable for ownership and evolution of movable property shall generally apply in relation to patents and nothing contained in subsection 1 or subsection 2 shall affect the mutual rights or obligations of trustees or of legal representatives of a deceased person or their rights or obligations as such.

Now, this provision tells us that the rules of law applicable for the ownership and evolution of patents will be the same as the rules applicable for ownership and evolution of movable property in other words patents shall be treated as movable property. In law property can broadly be classified into two classes; immovable property like land and movable property like goods owned by a person. Patents are treated or the ownership of patents are treated like movable property, and we know that from this section and the rights of co-owners which we just saw in subsection 1 and subsection 2, shall not affect the mutual rights or obligations of trustees or legal representatives of a deceased person.

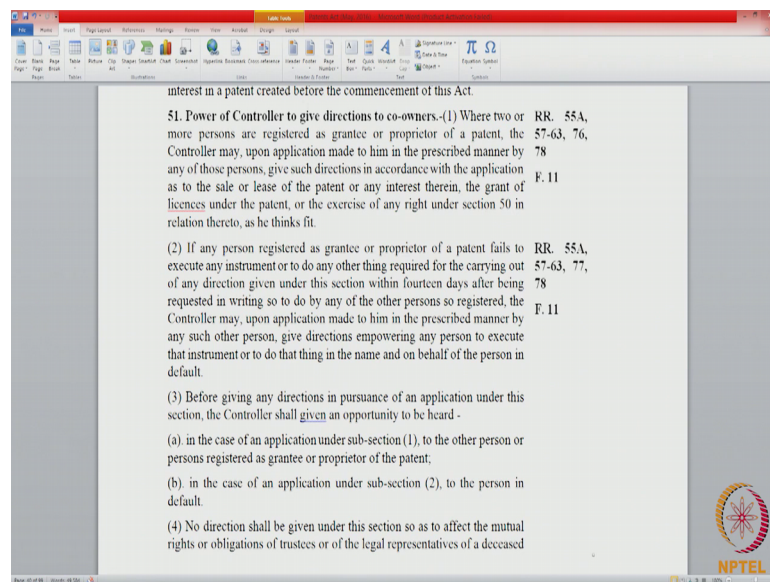
Meaning which if amongst the three owners a b and c, c passes away the death of c will not affect the rights which will now follow upon his legal representatives. So, the co-

owners a b and c will have one third share each in the absence of an agreement, if c dies then c s legal representative will take over c s shares.

So, when the c s legal representative takes over c s shares, then it will be as though c s shares are governed by the same rules as we saw in this section, but in now it will be controlled by the legal representative. So, nothing shall affect the rights of the legal representatives by virtue of what is there in this section 56. Nothing in this section shall affect the rights of assignees of a partial interest in a patent created before the commencement of this act.

Now, before the 1970 act into act came into force, if there at been an assignment and assignee gets the partial interest in a patent a share in a interest in a patent, this provision will not apply to that assignee. So, it will be governed by the provisions of the earlier act and the normal laws pertaining to assignee. Now in 50 we saw that how the rights of co-owners will operate. One the co-owners in the absence of an agreement will have equal undivided shares and the co-owners will each be able to exercise the rights.

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Conferred under section 48 for his own benefit, then in case the co-owners want to license a patent or an interest in a patent they have to get the consent of all the co-owners, if a person buys an article. So, licensing is different for license you need consent, but if a person buys an article from a patented article from the co-owners, but

from only one of the co-owners, he will have it will be as though he bought it from all of them.

It will be as though the particle has been sold by the sole patentee (Refer Time: 12:36) it will be as though it was purchased from a single patentee. So, we find a difference between how the rights of co-owners with regard to a sale of a patented article, in which case if you deal with one co-owner it is as though you dealt with all of them. But it is different when it pertains to a license; for a sake if you need to get a license or a share in a patent then you need to get the consent of the co-owners, and we also saw that the rules deciding the rights of co-owners in a patent will the laws that will be applicable will be same as the laws pertaining to movable property in India.

Now, what happens if there are disputes between the co-owners? Section 51 gives the controller certain powers to give directions to co-owners. Section 51 states that section 51 1 states that where two or more persons are registered as grantee or proprietor of a patent, the controller may upon application made to him in the prescribed manner any of those persons, give such directions in accordance with the application as to the sale or lease of the patent or any interest therein. The grant of licenses under the act or the exercise of any right under section 50, in relation thereto as he thinks fit.

Now, the controller has the power to issue directions to co-owners. Now these directions can be with regard to sale or lease of a patent or any interest therein, the grant of licenses under patent or exercise of any right under section 50. Now the controller has power to issue directions with regard to co-owners. To issue such a direction one of the co-owners will have to make an application before the controller. The co-owners may make an application though relevance forms as form 11 and request the controller to issue a direction. Now they could be many instances where the one of the co-owners may approach the controller. For instance of the three co-owners the example which we were discussing before a b and c.

A wants to license his patent to a third party, b and c do not give consent for such a license. A can take a form 11 and request the controller to issue directions because the controller has power to issue directions with regard to sale, with regard to lease of a patent, any interest therein, the grant of licenses under the patent or exercise of any of the rights under section 50. Now the controller as white powers to issue directions on this

and the grant of licenses under a patent is covered under 51 1. So, a can take an application under form 11 and ask the controller to give a direction because the other two co-owners are not interested or are not giving the consent for him to license the patent.

51 2 if any person registered as grant or proprietor of a patent, fails to execute any instrument or to do any other thing required for the carrying out of any direction under this section, within 14 days after being requested in writing. So, to do by any of the other person so registered, the controller may upon application made to him in the prescribed manner, give directions empowering any person to execute that instrument or to do that thing in the name or on behalf of the person and default. Now this gives another scenario if a b and c are the co-owners and a wants to license the invention to a third party, a can send a copy of the license indeed to b and c I delete last sentence.

A 51 2 envisages the situation where the controller has issued a direction. As we saw in the earlier example of the three co-owners a b and c, a has approached the controller for a direction to grant a license under the patent, and b and c are not cooperating. Now once the direction is issued, a can send the instrument the license d to b and c, asking them to execute it and giving them 14 days time. If b and c refused to execute it within the time given, the controller may upon application made in the prescribed manner that is form 11, give directions empowering any person to execute that this instrument or to do that thing in the name or on behalf of the person in default.

Now, the controller can give a directions saying that because b and c are not cooperating, a may execute the agreement on their behalf. So, this is again you could use 51 2 to resolve a deadlock. So, 51 1 and 51 2 are two different instances where the controller can give a direction in the earlier case in 51 1 the controller can give directions generally with regard to any application made with regard to say lease license or any of the rights under section 50, in 51 2 there is an instrument for execution, an agreement or a license deed has been drafted and it is been sent to the co-owners for execution for them to sign and the co-owners refuse to sign, in such cases the controller can ask another party to sign on their behalf, again to break the deadlock.

51 3 before giving any directions in pursuance of an application under the section this, the controller shall give an opportunity to be heard in the case of an application under subsection one to the other person or persons registered as grantee or proprietor of a

patent in the case of application under subsection 2 to the person in default. Now before hearing or before issuing a direction after form 11 is filed, the controller shall hear the other parties. In section 51 1 it will be the other proprietors, in section 51 2 it will be the person in default. Person in default as in the person who refuse to sign the agreement now let us look at the instance which we discussed earlier; a approaches a b and c are co-owners, a approaches the patent office that is the controller by filing form 11.

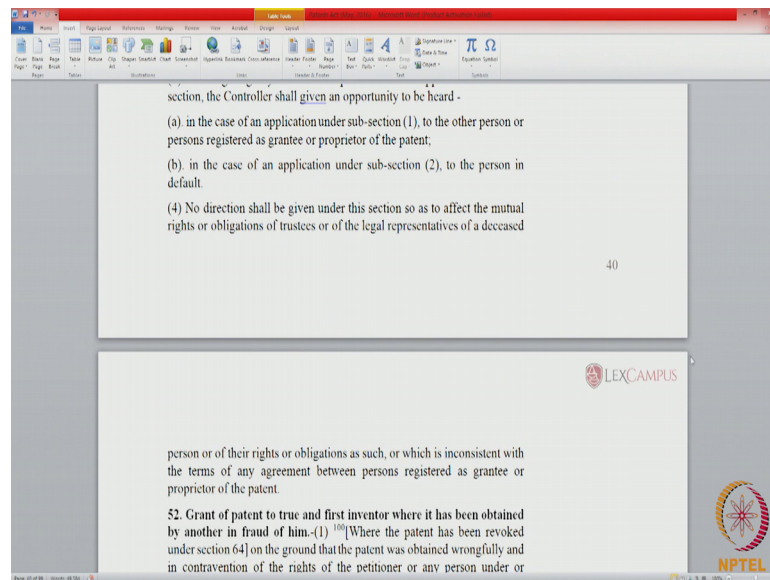
A says that b and c are not cooperating I want to license the patent to a third party, direct them to cooperate. The controller issues the direction asking them to cooperate this is the first situation. In the second situation a draws up an agreement and sends b and c a copy of that agreement saying that this is the license that we have to enter please sign this and return it back to me so that we can enter into an agreement with the third party for licensing our patent.

And he gives 14 days time and makes a request in writing; b and c receive the agreement, b executes the agreement and sends it back to a, c does not execute the agreement. 51 3 says that when the controller has to give an opportunity to b heard then under section 51 2 it shall be given to the person in default. So, under the example that we considered b had signed the agreement and send it back.

So, he cannot be regarded as a person in default, because c did not sign the agreement c will be considered as a person in default and the controller will have to give him a hearing. 51 4 no directions shall be given under the section so as to affect the mutual rights or obligations of trustees or legal representatives of a deceased persons of their rights and obligation as such or which is inconsistent with the terms of any agreement between registered person registered as grantee or proprietor of the patent.

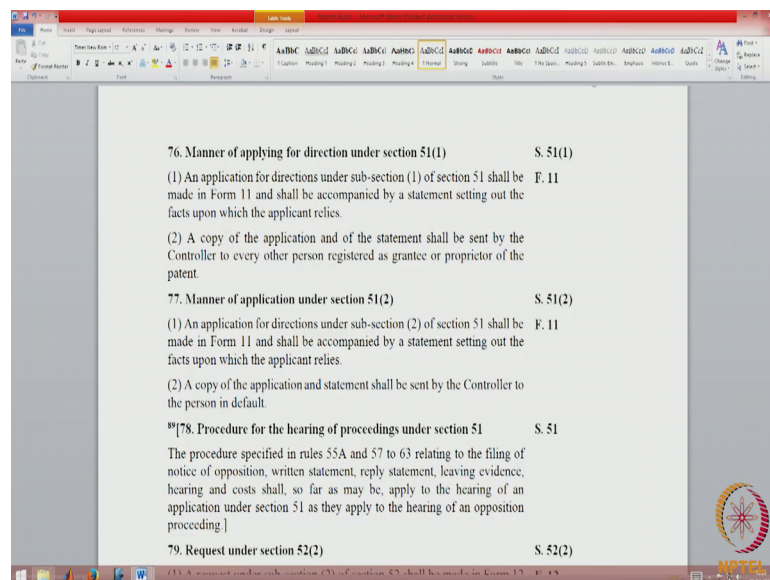
We saw a similar provision the rights of trustees or the legal representative of a deceased person shall not be affected by this provision. So, the controller cannot give a direction affecting the rights of trustees and legal representatives.

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Now let us look at the manner in which an application is taken under section 51 1 and 51 2.

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Rule 76 deals with the procedure, 76 1 says that an application for directions under subsection 1 of section 51 shall be made in form 11, and shall be accompanied by a statement setting out the facts upon which the applicant relies. Now the applicant in our hypothetical example, the co-owner a will have to give the facts in the form of a

statement as to how the deadlock has come through and what needs to be done to resolve it.

76 2 a copy of the application and of the statement shall be sent by the controller to every other person registered as grantee or proprietor of the patent. The controller shall send a copy to all the other co-owners, now co-owners you will see that the language used is grantee the person to whom a patent is granted or proprietor. Patentee is also another word if you see the language in section 48 the word patentee is used. So, patentee grantee proprietors are all used interchangeably. Rule 77, manner of application under section 51 2; one an application for direction under subsection 2 of 50 one shall be in form eleven and shall be accompanied by a statement setting of the facts, this is just the same as the early one.

In sub rule 2 the copy of the application statement shall be sent to the person in default. In the earlier case it was the it will be sent to all the co-owners, in the latter case it will only be sent to the person default and we also saw that there is a hearing under sub rule three correction we also so, that saw that there is a hearing under subsection 3 and the hearing is governed by rule 78. The procedure specified in rule 55 A and 57 to 63 relating to the filing of notice of opposition written statement reply statement etcetera in so far as maybe applied to the hearing of an application under section 51, as they apply to the hearing of an opposition proceeding.

Now, we are already mentioned that the rules for conducting opposition that is post grant opposition rule 55 A and rule 57 to 63 are general procedure for conducting proceedings before the patent office. So, the same procedure will apply even under a hearing up under section 51.