

Patent Law for Engineers and Scientists
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Lecture – 05
Introduction to the Indian Patent System
Patents (Amendment) Rules, 2016

(Refer Slide Time: 00:17)

**What's new in the Patents
(Amendment) Rules, 2016?**




What is new in the patent amendment rules 2016? As we already mentioned the patent amendment rules 2016 was the latest amendment to the rules that came into force. Earlier to that the pattern rules 2003 was amended many number of times and all these amendments, we are already mentioned makes it easy for the law to be changed wherever there is a requirement. We find that the 2016 amendment rules introduced many new things into the patent rules we will find that for the first time we have the definition of start-ups mentioned in rule 2.

(Refer Slide Time: 01:02)

Startups

- Rule 2(fb): Definition
- Less than 5 years from incorporation
- Turnover in the 5 years less than 25 crores
- Working towards innovation development and commercialization of new products
- Driven by technology or intellectual property



Rule 2 definition rule 2 fb defines a start-up as an entity that has existence of less than 5 years from incorporation.

Now, we use the word incorporation we understand that the entity could either be a private limited company under the companies act or a registered firm registered under section 59 of the partnership act or under the limited liability partnership act 2002. Now this gives the start-up the status of a entity. So, individuals are excluded we get this from the explanation 2 to the definition individuals are excluded and similarly any kind of association of people which cannot come under these 3 categories will also be excluded. So, to claim a start-up you need to be an incorporated entity something which came into being by the force of law it could be a company it could be a partnership firm or it could be a LLP; a limited liability partnership.

So, incorporation is important and you will find from the definition that the status of a start-up can exist only for 5 years. So, it is time bound and the 5 years start from the date of incorporation that is the first requirement the second requirement the turnover in the last 5 years should be less than 25 cross; 25 crores of rupees. So, the turnover of that entity in the last 5 years should be less than 25 crores if it exceeds 25 crores then it ceases to be a start-up.

The third requirement is that the start-up should be working towards innovation development and commercialization of new products or processes. So, it is a requirement that it is working towards innovation, development, deployment or commercialization of new products processes or services driven by technology or intellectual property. So, that is a part of the third requirement that a start-up should be driven by technology or intellectual property.

So, if the entity is not doing anything pertaining to technology or intellectual property then it may not be able to avail the status of a start-up. Now we will soon tell you how to avail the status, but this definition and the concept of a start-up was introduced by the 2016 amendment act. The definition also tells us what will not qualify as a start-up for instance if the product and services do not have the potential of commercialization then that is not something which will be factored into the status of a start-up if the products are undifferentiated products and our services or processes they are undifferentiated is nothing unique about them it is what everybody else does then again you will not get the status of a start-up for the purposes of the patents act and the product and processes with no or limited incremental value for customers of workflow would not be covered under this definition. So, the value that the company produces is either there is no value or limited incremental value for the customers or for the workflow.

So, these are the instances. So, a start-up status under the patents act is different from a normal start-up status for you to be a start-up under the patents act you need to be concentrating on sectors pertaining to technology or intellectual property. So, your products or services or processes should be driven by technology or by intellectual property. So, this differs where as a start-up could also be for a social cause a start-up could be for anything, but under the patents act the definition gives a clear meaning and it categorises start-ups as being driven by technology or intellectual property. Now explanation one tells us when the status of a start-up will cease now it goes beyond 5 years as I already mentioned the status of a start-up will no longer be there and if the turnover in any of the previous year exceeds 25 crores then again it will not be entitled for a start-up status.

If you saw that it should be less than 5 years from the date of incorporation which means

the entity came into being by a legal process of incorporating a company registering a partnership firm or registering a limited liability partnership. Now incorporation is important because the definition also tells us that you cannot form an entity by splitting up or reconstructing an existing business. So, if there is an existing business you cannot reconstruct it re incorporate it in a new name and call it a start up and you cannot split up an existing big business for instance a big multinational company cannot now de merge or create a smaller entity and say that this is a start-up we should avail all the privileges of a start-up that cannot happen.

Then the term turnover we said the turnover should be less than 25 crores it takes the meaning of the same word turnover under the companies act. So, this is a cross reference to the company's act 2013 for understanding what turn over means and there is also some reference rates of foreign currency will be asked played by the reserve bank of India. So, if a foreign entity is claiming a start-up status. So, the similar test will be applied for the foreign entity. So, if you want to know turner if the sales are abroad. So, you could use the same rates as stipulated by the reserve bank of India. Now what does it mean to say that the entity is working towards innovation development deployment or commercialization of new products processor or service is driven by technology or intellectual property this is further explained in explanation for that it means that it aims to develop or commercialize a new product or a process or service or significantly improved existing product or process that will create or add value to the customer or work flow.

Now, this kind of overlaps with the definition of an invention the invention is normally granted for a new product or a process or an improved product or a process these are the tool large categories broad categories for which inventions are granted pattern. So, the status given to a start-up is very similar to the definition of invention itself. So, the start-up should be working on developing new products and processes which is what inventions should be or at least it should be significantly improving existing products and processes improvements can be filed as patents for existing inventions to these 2 categories are covered explanation also goes on to say that it should create value to customers or workflow which is something kind of a utility requirements. So, the product that is patent it has to be useful or it should be capable of industrial application, so to that

extent explanation for at maps over or overlaps with the definition of an invention itself.

Now how do you claim the status of a start-up if you are a start-up how do you claim that status for that there is a new form that has been introduced that is form 28; form 28 is filed, it is submitted by a small entity or a start-up if you are a small entity under the micro small and medium enterprises act 2006 or if you are claiming that status or if you are claiming the status of a start-up new file form 28. So, the requirements for claiming a start-up also involves filing form 28 and inform 28 you have to give a document that will evidence the eligibility of a start-up. So, it is not just filling the form if you have been incorporated since 5 years you have to produce that your certificate of incorporation if you are claiming the start-up status because your turnover is not exceed 25 crores then you may have to file the returns over the last few years.

And similarly if you have to show that you are working on areas driven by technology and intellectual property you may have to produce some proof to that effect. So, all the 3 requirements in the definition less than 5 years from incorporation which will require a certificate of incorporation turnover being less than 25 crores may require producing the annual returns or the tax returns and working towards innovation and development of new products processes and services driven by technology and intellectual property which is the third leg of the definition would require some description of the nature of the work done by the entity nature of work nature of products services rendered processes in place all these things you could produce document because to the form clearly says that there has to be a document produced for claiming the status of a start-up. Now what do start-up get why should somebody file patents as a start-up what will be the advantage of getting the status of a start-up.

Now, the first advantage that start-ups get is that they will be treated at par with an individual or a natural person when it comes to the fees that an entity has to file we know that there are 3 categories of fees under the patents act and rules. Now first schedule deals with the fees payable. So, the 3 categories of fees are one we have a particular structure for a natural person or a start-up. So, the start-up gets treated like a natural person. So, the fees are the lowest you start with the lowest fee if you are a small entity alone or with the natural person or a start-up. So, if you are filing it anybody files with a

small entity then the fee is slightly higher. Now just to give you the instance for e-filing, we have a separate structure for e-filing and different structure for physical filing and e-filing is normally cheaper than physical filing.

So, if a start-up or a natural person makes a patent application under form one then he needs to pay 1600 rupees whereas if an application is filed as a small entity then the fee is 4000 rupees that is a third category any other entity other than start up a natural person or a small entity which will include all big organisations research organisations and corporations then your fee is 8000 rupees. So, the first benefit a start-up gets by filing an application using its status as a start-up is it gets it is entitled to a despite being an incorporated entity it is entitled to a reduced fee rate and the fee rate is same as that of a natural person that is the first advantage.

The second advantage a start-up can avail because of its status is that it can avail itself the privilege of an expedited examination expedited examination is where you can fast track your patent application. So, under rule 24 c, we will find that expedited examination can only be filed by an entity that is a start-up this privilege is not open for any other entity. But any other entity can avail expedited examination if it is indicated India as the competent international such authority or elected India as the international preliminary examination authority in the corresponding international application which means that entity which is not a start-up will have to file an international application choosing India either as the ISA that is a international searching authority or the IPEA; the international preliminary examination authority.

Now, we know that India became a international such authority and an international preliminary examination authority recently. So, if you need to fast track your application you could do that if you are a start-up if you are not a start-up then it means you need to file an international application. So, domestic applications what we call applications filed in India alone cannot be expedited if you are not a start-up it requires to avail an expedited examination it requires the entity to file an international application the international application may be filed and claim the expedited status they may expedite the examination and later on abandon the international application that is completely left to what the entity wants to do. But expedited examination is only open for start-ups other

entities will have to claim it in a different way that is by filing an international application and choosing India as the ISA or the IBEA.

(Refer Slide Time: 15:36)

Address for Service

- Address of service [R. 5]
 - Furnish email address and mobile number



There is a second thing that was introduced that was introduced by the 2016 amendment was there was a change in the address of service. Now under rule 5 the applicants have required to furnish their email address and mobile number. So, this is a rule 5 made a change to the way in which communications happen. So, every person concerned with any preceding or every pattern T shall furnish to the controller address including email address. Now this was introduced by the new rules and the proviso says the patent agents shall also be required to furnish to the controller a mobile number registered in India. So, the email address is of the clients for the mobile number is for the patent agent.

(Refer Slide Time: 16:30)

Leaving and Serving Documents

- Rule 6
- **Courier service:** Removed
- Patent agent shall make submissions only electronically [R. 6(1A)]
 - Original documents submit in 15 days



Now, leaving and serving documents rule 6 tells us about how to serve documents and how to leave documents when you are dealing with the patent office. Now earlier courier service was an option open to sending communications to the patent office that is now been removed courier service has now been removed. So, you can no longer send things to the patent office by way of courier it has to be through post or registered post or speed post or electronic transmission duly authenticated. So, these are the ways in which you can do it courier service has been removed that is a change that the 2016 act introduced 6 1 a; 6 1 says the various ways in which you can do it 6 1 a did create some controversy because it said that notwithstanding anything contained in rule one a patent agent shall file leave make or give all documents only by electronic transmission duly authenticated.

Now, duly authenticated means that the patent agent should have a digital signature with which he will do the electronic filing including scan copies of documents that are required to be submitted in original provided that the original documents that are required to be submitted shall be submitted within a period of fifteen days failing which the documents would be deemed not to have been filed.

You need to make a note there that is another deeming provision under the patents act where already told you that there are various deeming provisions deemed to have been


abandoned treated to be abandoned treated as withdrawn this is another deeming position. So, even if you make an electronic application if you do not follow it by filing the physical documents that the original documents physically if you do not find them send them by post then it would be deemed that the application was not filed.

So, one thing to note about electronic filing is that electronic filing is not electronic filing in the sense of its worth it means that it is an electronic filing followed by physical file and this issue came up because now if you are a patent agent the only way you can file is electronic. So, to that extend this is now and an another layer the patent agents will have to go through because the patent agents who were-filing the applications physically will still have to file it physically within 15 days, but they also need to file it electronically. So, there is an extra thing that has been introduced.

(Refer Slide Time: 19:25)

Condoning Delay

- Petition for condonation of delay [R. 6(6)]
- Period of condonation shall not exceed period of national emergency was in force or 6 months from expiry of prescribed period




There is a new provision on condonation of delay or condoning delay there is a petition for condoning delay, now the controller is given the power to condone delay in transmission and re submitting of documents to the a patent office. Now period for condonation shall not exceed period of national emergency was in force or 6 months from the expiry of the prescribed period normally if there is a national emergency and they could be a moratorium on doing certain acts if there is a natural disaster or a

calamity and people are not able to move around or there is a power shutdown or blackout in all these instances there can be cases where a delay in filing can be condoned. Now the provision says that it shall not exceed the period of the emergency or 6 months from the expiry of the prescribed period. So, the details are given in rule 6 6.

(Refer Slide Time: 20:30)

Fees

- Fees deemed to be paid when post actually reached the Controller [R. 7(2)(a)]
- Excess fees paid for same proceeding to be returned [R. 7(4)]
- Fees refund before Request for Examination [R. 7(4A), F. 29]



There are some changes to the fees. We had mentioned that the new fee structure for start-ups were introduced apart from that in rule 7 which deals with fees; fees shall be deemed to be paid when post actually reached the controller when the post actually reached the controller that is that time fees is deemed to have been paid. This is in cases where the draft or a banker's cheque is sent by post what this makes when the banker's cheque or the draught actually reaches the controller that is the point at which it is deemed to have been paid. There is an option of paying it either in cash at the patent office or through electronic means these 2 options are also open in addition to sending a banker's cheque or a bank draft.

Another new aspect that was introduced in the rules by the 2016 amendments was in case you paid excess fees for a same preceding it can now be returned there is a provision by which there can be a refund. So, there is a provision for refunding excessive fees this is upon the satisfaction of the controller that during the online-filing process the fee was

paid more than once for the same preceding there is also a provision for refund of fees in case of a withdrawal of an application you can draw an application anytime after it is filed before the grant now the withdrawal should be in respect of which there has been a request for examination. So, you have filed an application you have made a request for examination, but the patent office does not issued the first statement of objection. Now this is the point at which if you withdraw then the fee will be refunded to you if you withdraw the application after the first statement of objection is filed then this provision will not apply you will not get a refund.

The reason being the patent office has actually started working on your application. So, if you withdraw it before the issuance of the first statement of objection then you are entitled to a refund. Now to claim the refund you will have to file form 29 form 29 is a newly introduced form for withdrawing the application and section eleven b 4 in the first scheduled there are 2 tables table one deals with the fees payable table 2 table 2 you will find at the end of table one after table one that is after entry 53 of table 1, you will find table 2 which talks about fees refundable fees payable and fees refundable these are the 2 tables. Now in fees refundable you will find that the refund of fees under rule 7 sub rule 4 A which can be done by filing form 29; 90 percent of the fee paid for request for examination or request for expedited examination will be received.

So, the fees which you pay for request for examination or a request for expedited examination will be refunded if you file an application for withdrawing the patent under form 29 before issuance of the first statement of objections.

(Refer Slide Time: 24:09)

Biological Material

- Reference to deposit of biological material [R. 13(8)]
 - Within 3 months from date of filing of application



There is a new provision with relating to biological material in rule 13 8; the period within which reference to deposit shall be made in the specification under subclass a of clause 2 of sub section 4 of section 10 that is 10 4 2 a shall be 3 months from the date of filing the application provided that in case of a request for publication under rule 24 a a reference shall be made on or before the date of filing such a request. Now this proviso was not there before what is been introduced here is the proviso provided that in the case of a request for publication under 24 a such a reference shall be made on or before the date of filing such request. So, you file an application date of filing is normally you have to make a reference within 3 months from the date of filing the application.

Now, if you have made a request for publication where anyone to expedite the publication quickly and such reference shall be made on or before the date of filing such request, so if I file an application in January, I am expected to make the reference to the deposit in the specification within 3 months from the date of filing the application. Now if I do not do that or if in Feb, I take a publication under section 24 a, I make a request for publication under 24 a the next month itself then before I make that request I will have to make the reference normally I have the 3 month period the 3 month period gets shortened if I take a request for publication under rule 24 a. So, the proviso now says if you want to expedite quickly if you want to publish the application then the reference has to be made along with the request for publication. So, you could have a question where biological material is mentioned and in the situation they say that of the choices that you

have the situation says that you are in a hurry to publish your application.

So, you file a request for publication along with your application itself. So, in such cases what should you do with regard to the reference choice a you have 3 months from the date of filing choice b you should have file made the reference at the date of filing itself and so on. So, we depending on the problem you now have to answer this now the question could also say that if form 9 is filed in a case where involving biological material then at what time or what is the period within which the reference to the deposit should be made. So, you just say form 9 is filed it should be along with form 9 or along or before form 9 after form 9, 3 months after form 9. So, only the person who knows this profession will be able to answer that it has to be on or before-filing form 9.

So, here it says request for publication, but you can make the; if the question is trickier then you will just have this set should it be one of the choices could be on or before filing form 9. So, this makes the question tougher because the person will have to know what is the rule on biological material he will have to know what form 9 is and he will have to relate this provision that and you could also give a confusing choice by saying that 3 months from the date of filing form one which is true in a normal case, it has to be done the period of references 3 months from the date of filing form 1, but you could now make the question by saying if the party wants to makes the request for publication then what should be the timeline it should be on or before filing form 9. So, you could just mask all the provisions with the forms and you will have a tough question to answer in that case.

(Refer Slide Time: 28:27)

Amendments to Specifications

- Rule 14

“A marked copy clearly identifying the amendments carried out and a statement clearly indicating the portion (page number and line number) of the specification or drawing being amended along with the reason shall also be filed” [R. 14(2)]



Amendments of specification; now in rule 14 this was the change that was introduced the marked copy clearly identifying the amendments carried out and a statement clearly indicating the portion page number and line number of the specification or drawing been amended along with the reason shall also be filed, now 14 to introduce this. So, this was the change that was incorporated into rule 14 by the 2016 amendment.

(Refer Slide Time: 28:55)

Deletion of Claims

- International application designating or designating and electing India [R. 20]
 - Deletion of claims at the time of national phase entry
 - Accordance with R. 14




Deletion of claims with regard to international application designating or designating and electing India rule 20; there were some changes made in rule 20 relation of claim at the time of a national phase entry should be in accordance with rule 14.

(Refer Slide Time: 29:11)

Examination of Application

- FER: First Statement of Objections [R. 24B(3)]
 - **Time period:** Issued within 1 month from disposal of examination report by Controller
- Time for putting application in order for grant reduced to 6 months [R. 24B(5)]
 - Further extension by 3 months [R. 24B(6)]
- Expedited examination of application [R. 24C]



Examination of application again we find that FER the first examination report which is now universally called the first treatment of objection the time period there is a change issued within one month from the disposal of the examination report by controller. So, there is a time period of one month which is been introduced this you will find in rule 24 B 3 and the time for putting the application in order for grant reduced to 6 months earlier it was 1 year. Now it is been reduced to 6 months and the further extension is by 3 months. So, the timelines have been shortened expedited examination has been introduced 24 C.

(Refer Slide Time: 29:54)

Hearings

- Hearing through video conferencing [R. 28(6)]
- File relevant documents within 15 days from the date of hearing [R. 28(7)]
- Hearing adjournments [R. 129A]
 - Make a request at least 3 days before hearing
 - Not more than 2 adjournments
 - Adjournment not more than 30 days




There are some changes with regard to hearings rule 28 now allows for hearing through video conferencing people have been practising in the patent office will be now aware of a new procedure where patents file in any appropriate office are now taken up for examination in different offices. So, you may fail in up application in Chennai, but the examination process would happen in Delhi.

So, to facilitate it is not necessary that the agent should physically be present during hearings they have now brought in hearing through video conferencing there is also a provision for filing relevant document within 15 days from the date of hearing. So, you have a time period to file documents even after the hearing. So, that is been again introduced by the new rules and for adjournment of hearings rule 129 A request has to be made 3 days before the hearing they cannot be more than 2 adjournments an adjournments may not be for more than 30 days this is again to streamline the procedure and to reduce the delay in the prosecution process.

(Refer Slide Time: 31:04)

Scientific Advisors

- Disqualification for inclusions in the roll of scientific advisors [R. 103A]




Scientific advisors; rule 103A; now introduces disqualification for inclusion in the role of scientific advisors 103A, now tells us that a person who has been at just by a competent court to be of unsound mind and un-discharged insolvent a person is bankrupt being a discharged in solvent has not obtained from the [FL] certificate to the effect that is solvency was caused by miss fortune without any misconduct on his part that is a third category. So, even if you are a discharge in solvent, but you have not got a certificate a person convicted by a competent court whether within or outside India of an offence that to undergo a term of imprisonment unless the offence for which he has been convicted has been pardoned by the central government or for guilty of professional misconduct.

Now, if these 5 disqualifications are there then the person shall be removed from the role of the scientific advises some of them are of moral nature some of them are physical like unsound mind a person of unsound mind cannot be an expert and scientific advisors are actually experts who helped the court in patent litigation.

(Refer Slide Time: 32:21)

Power of Attorney

- Power of attorney [R. 135(1)]
 - 3 months from date of filing application
 - **Failure:** No action taken till deficiency removed



Power of attorney; there is a change in the power of attorney 135 1 has been substituted earlier before it substitution 135 1 just said the authorisation of an agent for the purpose of this act and rules shall be informed 26 or in the form of a power of attorney now it says it shall be informed 26 or in the form of a power of attorney within a period of 3 months from the date of filing the application or document failing which no action shall be taken or such application for further processing to the deficiency is removed. So, the 3 month period has now been introduced and this is important for us to understand because this may be used for filing patent applications and not processing them despite preserving the priority.


Now, assume a hypothetical case where a person files a complete specification he files a complete specification everything is in order he gets the number he pays the fees everything is done except for filing the power of attorney. Now what is the act say in the other cases we saw deeming provision would say deemed not to have been filed deem to have been abandoned deem to have been withdrawn treated as withdrawn this provision does not use any of that language it does not say it will be abandoned it will be treated as withdrawn rather it says no action shall be taken till the deficiency is removed. So, the only penalty here is no action will be taken till the deficiency is removed. So, this could lead to applications being filed and for whatever reason if an applicant wants to keep his

application in submarine mode submarine mode is it does not get published for a long time normally we know that after 18 months it has to be published say he wants to keep it unpublished for a longer time this provision could be used you can even say miss used if you go by the word meaning here.

You need to file an application and not file your power of attorney the application will be only acted upon when you remove that affect the understanding is that your priority everything else will be preserved because once the patent office deems something to be abandoned or deemed to be not filed like the provision that we saw then the consequences can be different.

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Forms	
Amended	New
<ul style="list-style-type: none">• Form 1• Form 3• Form 4• Form 13• Form 18 A• Form 28	<ul style="list-style-type: none">• Form 29 [Withdrawal]• Form 30 [If no form prescribed]



So, the only consequence is no action will be taken till the deficiency is removed. There are couple of forms - the form one has been amended, form 3 has been amended by the 2016 amendment rules, form 4 has seen some amendment, 13 has also seen some amendment, 18 A has seen some amendment 28 has seen some amendment. Form 29 is a new form which is for withdrawal of an application and there is a connected refund if a person is eligible for it and form 30 has also been introduced, form 30 is a generic form which can be used wherever no form is prescribed.