

IN THE HIGH COURT OF DELHI AT NEW DELHI

Diary No 9899  
27/2/15

W.P.(C)No.3742/2013

**IN THE MATTER OF: -**

Nittoo Denko Corporation

... Petitioner

VERSUS

Union Of India & Ors.

... Respondents

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DOD 09.10.2014

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THROUGH:



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NEW DELHI

DATED : 27.02.2014

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**REPORT OF THE COMMITTEE CONSTITUTED**

**UNDER THE ORDER OF HON'BLE HIGH COURT OF DELHI**

**Background:**

1. The Hon'ble High Court of Delhi, in its order dated 9<sup>th</sup> October, 2014, in Writ Petition (C) No. 3742/2013 and 3756/2013 (NITTO DENKO Corporation Vs. Union of India & Others), directed the government to constitute a committee to consider the following in relation to examination of patent applications in India:

(i) If expedited examination is not considered feasible, whether waiver of maintenance fee for the delayed period or other measures could be considered in order to compensate the patentees for the time consumed in the examination process?

(ii) As to whether the examination of patents applicants could be carried out of turn under the existing provisions of the Patents Act 1970 and Rules made thereunder and if so, under what circumstances? What factors and terms and conditions to be considered for expedited or out of turn examination?

2. Accordingly, a Committee was constituted consisting of the following members:

1) Shri D.V. Prasad, Joint Secretary, DIPP	Chairman
2) Shri Chaitanya Prasad, CGPDTM	Member
3) A representative of Expenditure	Member
4) A representative of Personnel & Training	Member
5) Shri Anand Grover, Sr. Advocate	Member
6) Smt. Pratibha Singh, Sr. Advocate	Member
7) Shri Gopa Kumar Nair, Advocate	Member
8) Smt. RV Anuradha, Partner, Clarus Law Associates	Member

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The Committee will consider the following:-

(i) If expedited examination is not considered feasible, whether waiver of maintenance fee for the delayed period or other measures could be considered in order to compensate the patentees for the time consumed in the examination process.

(ii) As to whether the examination of patents applicants could be carried out of turn under the existing provisions of the Patents Act, 1970 and Rules made thereunder and if so, under what circumstances? What factors and terms and conditions to be considered for expedited or out of turn examination.

3. The Committee met on 28<sup>th</sup> November 2014 and 28<sup>th</sup> January 2015. It considered both the issues referred to it in detail based on a comparison of the out of turn/acceleartated examination status in other jurisdictions as well as the situation and requirements of the Indian Patent system. The note on the comparative status in other jurisdictions considered by the committee is attached as **Annexure A**. After long deliberations, the Committee decided the following:

**(i) Compensation for patentees for the time consumed in the examination process**

- a. It was decided that waiver of maintenance fee may be ruled out or not considered as a feasible solution since such a practice does not exist anywhere in the World except in the US.
- b. As regards patent term extension for the time lost in the processing of the application in the Patent Office, it was observed that such provision exists only in the US and the proposal is not conducive to India, where the monopoly for 20 years itself is considered too long to block genuine competition. In today's world, technologies covered by inventions/patents become obsolete too fast. Encouraging obsolete technologies and protecting them with longer patent term is not advisable. The 20 year patent term (originally 7 yrs. /14 yrs.) provides for delays. Nothing prevents the applicant / inventor from taking steps for regulatory approvals and commercialization in the meantime, while the Patent Application is pending.

**(ii) Out of turn/ expedited examination**

The Committee noted that there is no provision in the Patents Act and Rules for expedited examination/out of turn examination and it should not be normally permitted unless the invention in that application directly contributes towards "public interest". It was deliberated that such a provision could be considered only when the applicant sets-up local manufacturing capabilities utilizing the invention as disclosed in the application.

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The Committee also considered if inclusion of such a stipulation on the ground of local manufacturing could become a contentious issue at the WTO. After deliberation, the Committee **unanimously** agreed that a new rule may be proposed where out of turn / expedited examination would be allowed based on manufacturing similar to the provisions in the USA and Japan (attached as **Annexure B**). The revised rule proposed is as follows:

**Revised Proposed Rule 24C Expedited Examination of applications**

- (1) (i) An applicant may file a request for the expedited examination after publication of the application under section 11A in Form 18A alongwith the prescribed fee within a period as prescribed in rule 24B(1) on the grounds that the applicant or his assignee or prospective manufacturer has either already started manufacturing the invention in India or undertake its manufacturing within two years from the date of filing of the request for the expedited examination, provided that the applicant or his assignee or prospective manufacturer meets each of the following conditions at the time of filing of such request:
- a. that the applicant or his assignee or prospective manufacturer (licensee) has sufficient available capital (stating approximately the amount) and facilities (stating briefly the nature thereof) to manufacture the invention in India in sufficient quantities to meet the reasonable public requirement or that sufficient capital and facilities will be made available within a period of six months if a patent is granted;
  - b. there must be a corroborating statement from a bank or financial institution or auditor in India with evidence in support showing that the applicant or his assignee or prospective manufacturer (licensee) has in possession the required available capital to undertake manufacture in sufficient quantities to meet the reasonable public requirement;
  - c. that the applicant or his assignee or prospective manufacturer (licensee) obligates himself, herself or itself, to manufacture the invention, in India, in sufficient quantities to meet the reasonable public requirement immediately upon the grant of patent;

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- d. in case of a prospective manufacturer who is a licensee, the agreement of the applicant or his assignee with the licensee should be submitted ;
  - e. that the applicant or assignee has made or caused to be made a careful and thorough search of the prior art, or has a good knowledge of the pertinent prior art and same is submitted to the patent office alongwith the request and
  - f. that the invention disclosed in the application relates to single inventive concept, the number of claims are not more than five and there are no independent claims.
  - g. An application filed according to the Explanation under sub-section(3) of section 16 will be dealt with as regular application, unless expedited examination fee is paid for any such divisional application.
- (ii) An applicant who has already filed a request for examination under Rule 24(B) can convert the said request to the request for expedited examination by paying the difference in the fees and submitting the requisite documents as provided in 24(C). In such case, the date of filing of such request shall be the date on which the fee for conversion has been paid by the applicant alongwith requisite documents.
- (iii) On the receipt of the prescribed fee with requisite documents, the request for examination filed under rule 23B shall stand converted to request for expedited examination.
- (iv) Once such a request for expedited examination under Rule 24C has been filed, it cannot be reconverted back to the request for examination under Rule 24B.
- (2) On the receipt of the requests for expedited examination, the Controller shall refer the same to the examiner in the order of filing of such requests.
- (3) The period within which the Controller shall refer the application and specification and other documents to the examiner in respect of the applications where the request for expedited examination has been received shall ordinarily be one month from the date of the request for expedited examination.

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- (4) The period within which the examiner shall make the report under sub-sec. (2) of sec. 12, shall ordinarily be one month but not exceeding three months from the date of reference of the application to him by the Controller.
- (5) The period within which the Controller shall dispose off the report of the examiner shall ordinarily be one month from the date of the receipt of such report by the Controller.
- (6) A first examination report along with the application and specification shall be sent to the applicant or his authorised agent ordinarily within two month from the date of the receipt of the request for expedited examination.
- (7) The applicant who has filed the request for expedited examination shall file a reply to the examination report within a period of three months from the date of First examination report.
- (8) The reply to the first examination report (FER) and subsequent reply if any shall be processed in a separate serial order in which the said reply is received.
- (9) The time for putting an application in order for grant under section 21 shall be twelve months from the date on which the first statement of objection is issued to the applicant to comply with the requirements.
- (10) The provisions of Rule 53 to 63 shall be applicable Mutatis mutandis wherever applicable.
- (11) The applicant or his assignee or prospective manufacturer shall submit to the controller the status report at every six months with regard to manufacturing the invention in India till the manufacture commences in the sufficient quantities as committed at the time of submission of the request for expedited examination.
- (12) Any false information or fraudulent attempt to avail of expedited examination without complying with the conditions as prescribed hereinabove, the Applicant or his assignee or prospective manufacturer shall be charged with penalties as mentioned u/s 124 of the Patents Act, 1970 including forfeiture of patent granted under the provision for

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revocation u/s 66 of the Patents Act, 1970 or the Controller may declare the patent as *non-est* in exercising the powers under Section 77 of the Act.

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## ANNEXURE A

**Note on the comparative status in other jurisdictions regarding the terms of reference as provided in the Court order**

**a) Status of Out of turn/Accelerated Examination in other Jurisdictions is given below:**

**i. USPTO:**

In patent law, a petition to make special (PTMS) is a formal request submitted to the United States Patent and Trademark Office (USPTO) asking that a patent application be examined ahead of the other pending applications in the same technological art.

- A petition to make special can be granted because:
- one of the inventors is over the age of 65 or is ill to the point where they may not be available to assist in the prosecution of the patent,
- the head of a government agency requests that the application be made special,
- the patent relates to certain areas including: quality of the environment, development of energy resources, or terrorism,
- the applicant wishes to take part in accelerated examination as described below, or the applicant has received a positive indication of allowability in another jurisdiction and is participating in the Patent Prosecution Highway.
- Final disposition within 12 months.
- Fees for Request for prioritized examination-4,000.00,2000,1000

**ii. UK IPO**

Reasons for out of turn examination

- If invention relates to a 'green' technology
- demonstrate that a patent should be granted quickly because of potential infringement
- Patent Prosecution Highway (PPH)

**iii. European Patent Office Programme for accelerated prosecution of European patent applications - "PACE"**



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- Accelerated examination may, in principle, be requested in writing at any time. However, to be as effective as possible, it should preferably be requested: when filing the European patent application, provided that examination is bindingly requested at the same time or after receipt of the extended search report and together with the applicant's response to the search opinion under Rule 62.
- No Fees for Request for accelerated examination

**iv. Japan:**

- Applications filed by an applicant or a licensee who has already commercialized the invention or plans to commercialize the invention within two years from the filing date of a request for accelerated examination.
- Internationally-filed applications;
- Applications filed by SMEs, individuals, universities, public research institutes etc.;
- Green-technology related applications-inventions that has an energy-saving effect and contributes to CO2 reduction)"
- Earthquake Disaster Recovery Support-related applications
- The Asian Business Location Law-related applications.
- No Fees for Request for accelerated examination

**v. The State Intellectual Property Office (SIPO) China**

- The Administrative Measures (in Chinese), issued on 19 June 2012, came into effect on 1 August, 2012, allowing for prioritized examination of certain types of invention patents.
- What type of application is eligible?
- Important applications relating to energy conservation and environment protection, new generation information technology, biology, high end equipment manufacture, new materials, new energy automobiles
- Important applications promoting the development of green technologies, such as those relating to low carbon emission and conservation of resources;
- Applications for the same invention first filed in China and then in other countries or regions; and

- Other applications which materially affect national or public interests and require prioritized examination

**b) The status of Compensation of term of the patent lost during pendency of application in various jurisdictions**

- USPTO -35 U.S.C. 156 was designed to create new incentives for research and development of certain products subject to premarket government approval by a regulatory agency. The statute enables the owners of patents on certain human drugs, food or color additives, medical devices, animal drugs and veterinary biological products to restore to the terms of those patents some of the time lost while awaiting premarket government approval from a regulatory agency.
- Similar provision in Japan.
- No other country has such a system

**c) Status of Waiver of Maintenance Fees in various jurisdictions**

- USPTO-Waiver of fees on the grounds of hardship faced by the applicant and if such a waiver is in the public interest.
- No other country has such a system