

## The Patent System of India

### Intellectual Property Rights:

Intellectual Property Rights are statutory rights once granted allows the creator(s) or owner(s) of the intellectual property to exclude others from exploiting the same commercially for a given period of time. It allows the creator(s)/owner(s) to have the benefits from their work when these are exploited commercially. IPR are granted to an inventor or creator, designer in lieu of the discloser of his/her knowledge.

### Governing Laws in India for IPR as follows:

1. Patent Act 1970
2. Trade Marks Act (1958 original) 1999
3. The Copyright Act 1957
4. The design Act 2000
5. Geographical Indication of Goods (Registration and Protection) Act 1999
6. Plant Variety and Farmers Right Protection Act 2001

### What is an invention/innovation?

An **invention** means: a new product or process involving an inventive step and capable of industrial application.

An **Innovation** means: The successful exploitation of new ideas in the form of a useful machinery or process, by any person, using own intellect is called as innovation. Every innovation may not be patentable invention but every invention is an innovation.

All the inventions are the innovations and are patentable, but all the innovations are not the patentable inventions.

### The Patent System

A patent is a contract between the inventor or applicant for the patent and the State, whereby the inventor or applicant gets a monopoly from the State for a certain period in return for disclosing full details of the invention. The patent system thus ensures that information on new inventions is made available for eventual public use so as to encourage technical and economic development and discourage secrecy.

If an inventor or company has an invention, which they consider to be novel and inventive, they may apply for a patent. This may be granted only after a detailed examination by a patent office. Once the patent is granted the inventor or applicant has the sole right to make, use or sell the invention for a limited period. This period is usually twenty years.

There can also be confusion about what exactly can be protected by the patent system. Patents can only be applied to inventions. These usually have an industrial dimension. An invention is normally a new product, which involves a new principle of operation or an improvement to an old principle. Alternatively it may refer to a new or improved industrial process. Things, which do not involve manufacture, are not usually considered to be inventions. For example, a new scientific theory or a new surgical procedure would not be considered to be patentable for this reason.

### **Novelty and Inventiveness**

In order to be suitable for patenting, an invention must be novel and inventive. An invention is considered to be novel if it has not been disclosed to the public at the time that the patent application was made. As long as the date of the patent application precedes any disclosure of details of the invention to the public, the invention can be validly patented. If however, details of the invention have been disclosed to the public before applying for a patent, then the invention is no longer considered to be novel in a patenting sense and it will not be possible to protect it validly through the patent system.

It is important to be aware of the danger of premature disclosure of details of an invention. Even after a patent application has been filed, details of the invention should only be disclosed as part of a planned programme of commercial exploitation.

Another requirement for a valid patent is inventiveness. This means that the invention must contain an inventive step. This can be the most difficult thing to show. A patent examiner may decide that the invention is obvious i.e. that somebody knowledgeable in the subject area, when familiarised with all earlier patents or other technology in the area, would have immediately been led to the same conclusion.

### **Commercialization of Inventions**

Many inventors feel that filing a patent application is the most important and first thing they must do once they have an idea. This is rarely the case. Patenting an invention is not the only consideration and rushing to file an application may actually be the wrong thing to do first.

Patents are of no value unless the commercial worth of the product or technology can be demonstrated and exploited. Many patentable inventions have failed not because they didn't work, or because they had been invented before, but because

the inventor was unable to exploit them commercially. Inventing is increasingly being seen as a business. You must invest in the business if you wish to make a return, and management and marketing skills are every bit as important as technical skills. If the inventor does not have all the skills required, it may be necessary to put together a team or partnership to exploit the project or to license the invention to an existing company who already has related products.

If one does successfully commercialise an invention however the rewards can be substantial. A number of successful companies' world over own patents, which protect them against, copied products home or imported. This is an important factor in present day international trade. Most other traditionally used barriers to trade are being removed in the interests of fair competition. Patents are one of the few mechanisms that companies can legally use to protect their market share. Having foreign patents also allows Irish companies to protect their products in export markets.

Where a product is unsuitable for export because of distance, cost or other factors, a licensing strategy can be used. The Indian company can use the patents to license the manufacturing/marketing rights for their invention to a foreign manufacturer. In return they receive a royalty, which increases their profits. Licensing for both the home and export markets to Indian and/or foreign companies is also the appropriate strategy for inventions made by non-manufacturing companies or by universities and colleges.

To succeed, an inventor does not have to have a great deal of business or technical expertise. He/she must however adopt a businesslike approach to the project. The first thing is to realise that there are several stages in the inventive process. It is vital to realise what stage one is at and what one needs to do next.

The stages of development of a successful invention are:

- Identification of a problem that needs to be solved.
- Inventing a solution to the problem, which works.
- Developing a prototype or being able to demonstrate the invention to prove how it works.
- Filing a patent application to protect the invention so that it can be disclosed to other people.
- Arranging the manufacturing and marketing of the invention either through one's own company or through licensing.
- Each stage requires its own particular expertise and resources. It is essential that the early stages are satisfactorily completed before moving on. Experience shows that taking short cuts does not pay. For example, it is

hard to get investors or potential licensees to appreciate the benefits of a particular invention if the prototype is very crude and does not work properly. Similarly there is little point in filing a patent application until one is satisfied that the invention can be shown to work. There can be some overlap between the last two stages however. If it is possible to make some progress with manufacturing and marketing without compromising the patent position, then one should do this. As mentioned elsewhere, very often the later one files the patent application the better.

### **Disclosing an Invention**

Details of an invention should not be disclosed to outsiders until such time as a patent application has been filed. However, many people make the mistake of filing patent applications too early. Because they are afraid that somebody else may invent the same thing, they file an application as quickly as possible without having any clear plan as to what they are going to do next. They then find that many months pass before they are in a position to commercially exploit the invention, and they have not left enough time to obtain the necessary finance to cover international patent filings. In general, it is better to complete the development of the invention and file the patent application when it becomes necessary to make disclosures as part of a planned programme of commercial exploitation. If it is necessary to talk to technical specialists or others in order to obtain assistance during the development of the invention, this should be done on the basis of confidentiality. People should be informed that the information is strictly confidential and asked to sign a simple document undertaking not to disclose the information until given permission to do so.

Adopting a proper commercialisation strategy involves considering all aspects at the same time, technical, commercial and legal. At the initial stages proper attention should be given to the technical aspects, but once the patent application is filed, the commercialisation should proceed as quickly as possible within the limited time scale provided by the patent system. Once an application has been filed in Ireland, applications in other countries must be made within twelve months if the best protection is to be obtained. As is explained below, an international patent programme can be a very expensive business. Funding for it from either private or public sources is unlikely to be obtained unless there are definite commercial plans for the invention which are well advanced. Setting up ones own manufacturing company or identifying potential licensees and reaching agreement with them can take time. A period of longer than twelve months is usually required to complete either of these activities. Thus if one has filed ones patent application too early one will inevitably run into financial difficulties in trying to keep it going.

Another reason why it can be a mistake to file too early is that development of the invention may not be completed. Designs may change during development or other inventive features may be introduced. If the patent specification has been drafted too early it may not be possible to amend it to reflect the changes made. One can end up with a patent, which does not really cover the final commercial product.

### **Academic Research**

People carrying out academic research are frequently under pressure to publish the results of their research for academic reasons. Researchers should, at all times, bear in mind the possibility of commercial results from their research. If a researcher sees a commercial application from his or her research, it would be wise to delay publication until a patent application has been filed.

### **Applying for a Patent**

The first step that people usually take in applying for a patent is to file a preliminary application in one country. When the application is filed, the date of application is recorded and this is called the "priority date". The first application can be quite basic and does not have to include a set of claims (see below). It is still an important document and specialist advice from a patent agent should be obtained in preparing it.

Most countries are signatories to an international convention, which guarantees that the priority date of an invention filed in one country will be respected in other countries, provided an application is filed in the other countries within twelve months of the date of filing the first application. This is why the first document filed can be very important later.

The system of filing an application in one country initially can be of great benefit to inventors provided they have timed it correctly. It allows up to twelve months before foreign applications must be filed. During this time the inventor can assess the commercial prospects of the invention, carry out improvements on it, and arrange the necessary finance for international patenting and commercial exploitation through manufacture and sale. This period is also used to assess the market potential for the invention in various countries and to decide in which countries the expense of patenting is justified. Note though the comments earlier about the dangers of underestimating the time it takes to do these things and the dangers of filing too early.

### **Patent Specifications**

The patent system is complex, and great skill is required in reducing the principle of an invention to words, which will have legal effect. Patent agents have detailed knowledge of the complex procedures in the various foreign patent systems and

work with other patent agents throughout the world to obtain patent protection for an invention in different countries.

A patent specification is written in a certain format, which may not be immediately obvious to the casual reader. The specification usually contains a preamble, which describes the background to the invention. Then comes a statement of invention, which is a legal statement of the scope of the monopoly sought. This is followed by a detailed description of the invention, usually drawings or examples of how the invention is carried out. The final part of the specification includes a set of claims. These are not normally required in the preliminary application but are a vital part of the final document. A claim in this sense has nothing to do with the conventional use of the word, and does not relate to the advantages or performance of the invention. A patent claim is where the patent agent sets out the scope or extent of the monopoly, which he claims on behalf of the inventor. In other words, one is claiming a territory of technology within which other people may not stray without infringing the patent. The scope of the patent is very important. One can imagine that a patent for a completely new type of engine would have a very broad scope whereas a patent for an improvement in one component of that engine might be quite limited in scope.

### **Examination**

When patent specifications have been filed in the various countries the patent examiners in those countries examine them. These examiners carry out a search through previous patent specifications and other literature in order to ascertain if the invention is novel. They also look at the question of inventiveness in relation to the "prior art". As a result of the patent search, an examiner may feel that certain features of the invention have already been disclosed in previous specifications. Correspondence then ensues between the patent examiner and the patent agent until the examiner is satisfied that the claims for the patent are allowable. This can often mean an amendment or narrowing of the scope of the patent claims until the Patent Office in question is satisfied that it does not overlap the "territory of technology" claimed by previous inventors. This stage of the patenting procedure is called "prosecution" and can involve the inventor or applicant in considerable expense depending on the amount of work required to be done by the patent agent. As part of the patent examination procedure, the specification filed by the applicant is published, usually eighteen months after the priority date. The Patent Office also publishes a list of previous patents, which were found to be of relevance in the patent search. Thus, even if an inventor has not disclosed the invention in any way up to this point, the patent system itself will make a disclosure and destroy its novelty at this time. It is for this reason that inventions once disclosed cannot be the subject of subsequent patent applications either by the inventor or by anybody else.

When the Patent Office has satisfied itself concerning the scope of the claims, which are to be granted, notice of allowance of the patent will be issued and the patent will be granted. In some countries (not in Ireland) there is a period however during which interested parties may oppose the granting of the patent by lodging their grounds for opposition with the Patent Office. If no one is successful in opposing the grant of the patent, the Letters Patent Document is issued and the patent comes into force.

### **Infringement**

If anybody attempts to make, use, or sell an invention, which is covered by a patent which is in force in a certain country, he or she may be sued in that country for infringement by the patentee. If infringement is proved, damages may be awarded to the owner of the patent. Patent litigation is notoriously expensive, and is not entered into lightly. The greater the commercial potential of an invention, the higher is the chance that the patent will be infringed or contested. The fact that a patent is granted does not automatically mean that the inventor is given full protection. A granted patent can in certain circumstances be invalid because certain information did not come to the attention of the patent examiner during the course of the examination. This could show, for example, that the invention was not in fact novel. A court decision may ultimately be needed before the inventor finds out whether he is protected or not.

### **Frequently Asked Questions (FAQ) on IPR Protection in India:-**

**Intellectual Property** is intangible incorporate property consisting of bundle of rights. The property imbibed from the intellectual capacity of a human brain for instant an invention, design of an article, literary or artist work, symbols/trade marks, having commercial value and the same is not available in the public domain.

**Intellectual Property commonly encompasses the following:**

1. Patent
2. Trademarks
3. Industrial Design
4. Copyright
5. Geographical Indication of Goods
6. Integrated Circuit
7. Protection of Undisclosed Information such as Trade Secrets

**Patents:**

**What is Patent?**

Patent enables its owners to exclude from making, using and selling its inventions.

**Term of patent:**

The term of patent is for twenty years (20), provided the maintenance fee is paid at the end of every year.

**Territorial Scope:**

Patent laws are territorial; a separate patent must be obtained in each country. Indian patent office protects invention only filed in India.

**What is patentable?**

Only inventions are patentable. An invention must be new, useful and must involve inventive steps compared to closest prior art. A new and unobvious product, process, apparatus or composition of matter will generally be patentable.

**Patentability searches:**

Patentability search is a search for invention in hope of not finding the invention. The patentability search is an universal concept since inventions cannot be boundary constraint. But it is to be noted that the patent laws are territorial.

Computer databases search is quick and relatively inexpensively. Database searches are most useful in searching sophisticated inventions, which can be described by precise, well-known terms of art. They are much less useful in searching mechanical gadget type inventions.

No search will "guarantee" the patentability of any invention. The object is to make a reasonable assessment of the prospects for obtaining worthwhile patent protection. Search results are also useful in preparing a patent application.

**What information is required for conducting search?**

To conduct a search the description, drawings or photographs of the invention, showing how it is made, operated and used would be helpful. Further details of any known prior art; a summary of the prior art's shortcomings; an explanation of how these are overcome by the invention; a list of any other advantages of the invention; and, details of any possible variants or modifications that could be made without departing from the general concept of the invention

**Why one should go for a patent?**

To enjoy the exclusive rights over the invention. If the inventor does not get the patent rights over his invention and introduce his product/process based on his invention in the market, any body can copy his invention and exploits it commercially. To debar others from using, selling or working out his invention, the inventor must go for getting a patent.

### **Who can apply for a patent?**

An application for obtaining a patent can be made by a true and first inventor who holds the rightful ownership in the invention due to fact that he invented the same or by any person who is an assignee/legal representative of the first and true inventor. Also a legal heir of the first and true inventor can apply for patent in case of the death of the true and first inventor.

### **What is not patentable invention?**

1. An invention which is frivolous or which claims anything obviously contrary to whole established natural laws.
2. An invention the primary or intended use or commercial exploitation of which could be contrary to public.
3. The mere discovery of a scientific principle or the formulation of an abstract theory.
4. The mere discovery of any new property or new use for known substance or of the mere use of known process, machine or apparatus unless such known process result in a new product or employ one new reactant.
5. A substance obtained from mere admixture resulting into aggregation of properties.
6. Mere arrangement or re-arrangement or duplication of known devices each functioning independently.
7. A method of agriculture or horticulture.
8. Any process for the medicinal, surgical, curative, prophylactic or other treatment of human beings or animals.
9. Plants and animals in whole or any part in whole or any part thereof other than micro organism but including seeds, varieties and species and essentially biological processes for production or propagation of plants and animals.
10. A computer programme per se other than its technical application to industry or combination with hardware
11. A mathematical method or business method or algorithms
12. A literary, dramatic, musical or artistic work or any other aesthetic creation whatsoever including cinematographic works and television productions.
13. A mere scheme or rule or method of performing mental act or method of playing game.
14. A presentation of information
15. Topography of integrated circuits
16. An invention which, in effect is traditional knowledge or which is an aggregation or duplication of known properties of traditionally known component or componets.
17. Invention relating to atomic energy.

**What are the documents required for filing a patent application?**

1. Application Form (form 1),
2. Specification (Provisional/Complete) [Form 2],
3. Drawings (if any),
4. Undertaking under section 8 (form 3), and
5. Power of Authority (if the patent application is filed through a patent attorney)

**What is patent specification?**

A patent specification discloses the details of the invention for which the patent protection is sought. The legal rights in a patent are based on the disclosures made in the specification. Specifications are of two kinds

1. **Provisional:** A provisional specification discloses incomplete invention or inventions requiring time to develop further. The provisional specification is filed to claim the priority date of an invention.
2. **Complete:** The document, containing the detailed description of invention along with the drawings and claims is called as the complete specification. Also the description regarding prior art is included in the complete specification.

**What does a patent application contain?**

A patent application has the following information:

1. **Bibliographic:** It is in structure format. It contains the title of the invention, date of filing, country of filing, inventor's name etc.
2. **Background of the invention or State of the art:** In this the inventor lists the state of the art available on the date of filing his invention. Here the inventor lists the shortcomings/drawbacks found in the state of the art and defines his problem.
3. **Description of the invention:** In this the inventor describes his invention duly supported by a series of workable examples alongwith diagrams/charts, if needed. The invention has to be described in complete details, so that any person, who is skilled in the art can work out the invention.
4. **Claims:** In the last, the inventor has to bring out a series of claims establishing his rights over the state of the art. It is this portion, upon which the protection is granted and not on the description of the invention. This has to be carefully drafted.

**What is the date of priority?**

The date of priority is the date on which the patent application either with provisional specification or with complete specification is filed at the patent office.

### **What happens to the application after filing?**

Initially, a patent examiner examines the patent applications and then communicates the objections, if any, to the applicant via first examination report. The applicant has to meet up with the compliance of the patent office within specific time frame, if the applicant fails in doing so the application shall be abandoned. Otherwise the application is published in the patent gazettes issued by the patent office. The said published application is open public perusal and opposition. If there is no opposition the patent shall be granted.

### **How does a patent get expire?**

A patent can expire in the following ways:

1. The patent has lived its full term i.e. the term specified by the patent act of the country. Generally it is 20 years from the date of filing.
2. The patentee has failed to pay the renewal fee. A patent once granted by the Government has to be maintained by paying annual renewal fee.
3. The validity of the patent has been successfully challenged by an opponent by filing an opposition either with the patent office or with the courts.

### **What is Traditional Knowledge (TK)?**

The knowledge continually developed, acquired, used, practiced, transmitted and sustained by the communities/individuals through generations is called Traditional Knowledge.

In India **traditional knowledge** including the existing oral knowledge cannot be protected under the provisions of the existing IPR laws/acts, as mentioned herein above. However, if there is a substantial improvement in the existing traditional knowledge and if it can fulfill the requirements of the definition of the invention, then the patent application can be filed.

### **What is Prior Inform Consent (PIC)?**

Prior Informed Consent is a consent sought from the innovator and/or inventor and/or knowledge holder to develop, protect, explore, commercialized ones innovation. PIC document may be of different types each defining the scope of rights imparted to exploit the innovation.

### **What is a PCT?**

PCT abbreviated, from the Patent Cooperation Treaty. PCT is an International treaty, which provides facility to the applicant to file a single patent application and designate the countries in which he/she wants to protect his IP rights. Thus a single patent application is filed for the purpose of an international search report

and to claim the **priority date** in all the designated countries. After receiving the international examination report, the applicant has to file a request in each designated country to take on record his/her application and this is called national phase of a patent application. A PCT application also provides an international filing date through a single patent application. India is a member country to PCT.

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