

Trends in patent protection

A number of trends in relation to patent protection in India, including a rise in filings, are becoming clear.

Jayanta Pal and **Nitin Kalra** of Remfry & Sagar explain more.



Although India is a small player in the global patent market—only around 40,000 applications are filed in India annually—patent law and practice are nevertheless maturing and primed for expansion and growth at the right time to coincide with the government's Make in India initiative (designed, among other things, to foster innovation).

An analysis of filing statistics and judicial decisions brings up some interesting trends.

Filing trends

After signing the TRIPS Agreement in 1995, India introduced a full product patent regime ten years later, in 2005. Despite certain questions being raised about India's compliance with international benchmarks, the patent sector has grown rapidly and filing statistics (see Table 1) clearly show the expansion of patent protection.

In absolute terms, 12,613 patent applications were filed in India between April 2003 and March 2004. This figure has risen nearly 250% to 43,674 in the corresponding period between 2012 and 2013. With the digitisation of patent office records, new search interface and e-filing options being available, coupled with the setting-up of the Indian Patent Office (IPO) as

a search and examining authority, we are fit for further growth beyond that seen over the last decade.

Prosecution statistics

While filings have increased year on year, staff inadequacies at the IPO have led to delays in grants and subsequent enforceability of patents in India. For instance, although data for the year 2012 reveals a 25% increase from 2011 in the number of applications published, examination and disposal numbers remain relatively unchanged (see Table 2).

Also, while numbers of applications examined and disposed by the IPO have shown an overall increase in recent years, the numbers dipped from 2011 to 2012 (examined) and 2012 to 2013 (disposed).

Nevertheless, overall prosecution trends indicate that from 2013 to 2014 there was a substantial increase in all three categories compared to previous years, which is reflective of the IPO's efforts towards reducing backlogs. This has been driven by the approximately 150% increase in the number of patent examiners—from 80 to more than 200.

Recent trends in examinations

Patent prosecution in India has undergone

recent changes in the areas of filing requirements when entering the national phase in India, divisional applications, proof-of-right requirements and disclosure requirements under section 8 of the Indian Patents Act.

With respect to filing an international application under the Patent Cooperation Treaty (PCT) designating India, over the last year or so there have been numerous instances where the IPO has interpreted section 138(4) of the Patents Act narrowly. Until the recent interpretation, PCT applications filed in India were considered correctly filed even with a set of claims different from those in the international PCT application.

However, in a change of stance, the IPO now requires that claims of the Indian application correspond exactly with PCT claims, including the number of claims. Significantly, the IPO has even refused to accept applications that were filed with fewer claims than those filed under the PCT. Therefore, any amendments to claims in India must be made separately after the application is filed in India.

With respect to divisional applications, when a claim relates to more than one invention, section 16 of the Patents Act allows division of the pending application, either at the request of the applicant or in response to the controller's objection.

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Table 1: Expansion of patent filings in India

| | Yearly growth before 1995 | Yearly growth between 1995 and 2004 | Yearly growth after 2004 |
|----------------|---------------------------|-------------------------------------|--------------------------|
| Patent filings | <5% | 10% | 12% |

Table 2: IPO statistics 2011–2014

| Year | Number of applications published | Number of applications examined (first examination report) | Number of applications disposed (granted, refused and abandoned) |
|------|----------------------------------|--|--|
| 2011 | 22,153 | 11,414 | 9,805 |
| 2012 | 30,840 | 10,701 | 10,120 |
| 2013 | 27,700 | 16,622 | 8,994 |
| 2014 | 36,357 | 22,979 | 14,821 |

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The provision on the request of applicants was being interpreted by applicants as allowing them to file divisional applications with claims that are the same or similar to those in the parent application. A 2011 Intellectual Property Appellate Board (IPAB) decision, *LG Electronics v Controller of patents and designs*, clarified that a divisional application could be allowed only if it related to an invention distinct from the one claimed in the parent application.

Subsequently, the IPO began refusing divisional applications on the ground of lack of distinctiveness between the claims of the parent and divisional application. The number of divisional requests filed in 2012 was nearly 40% less (from 518 to 325) than in 2011, demonstrating a strong reversal based on the *LG Electronics* decision.

Historically, the IPO did not insist on submitting proof-of-right (showing transfer of rights from the inventor to the applicant) if the applicant in India was the same as the applicant in the priority convention country. This practice was seemingly at odds with a literal interpretation of section 7(2) of the act. But, it was acceptable on the premise that the applicant applies for the patent application in India, not directly by virtue of the assignment of rights from the inventor (which it is already deemed to possess), but by being the applicant in the priority convention country.

However, in 2013 the IPAB's decision in *NTT DoCoMo v Controller of patents and designs* changed the practice by holding that proof-of-right must be established for every application.

Among the most debated, and onerous, statutory provisions are those that cover the disclosure requirements imposed by section 8(1), which requires an applicant to undertake that it shall inform the controller of details of the same and substantially similar applications,

and section 8(2), which demands the filing of prosecution details of the applications identified under section 8(1), whenever directed by the controller.

A 2009 judgment in *Chemtura v Union of India* cast an onerous duty on the applicant to provide regular updates, holding that failure to comply was a ground for revocation. The challenger simply had to show that some information was not disclosed and that raised a reasonable presumption that the patent would be invalid.

In 2012, the *Roche v Cipla* decision pacified the patentee by refusing to revoke the patent on the sole ground of non-compliance with section 8. The court held that it had discretion in deciding the matter of revocation; however,

it did not go far enough to issue guidelines on the use of such discretion.

A 2013 judgment, *Fresenius Kabi Oncology v Glaxo Group*, once again advocated the hard stance of *Chemtura* that disclosure, even in the age of internet access, is mandatory and must be complied with.

However, most recently, in *Koninklijke Philips Electronics v MAJ (RETD) Sukesh Behl & Anr* in 2014, the High Court of Delhi held that while disclosure is mandatory, a challenger seeking to revoke a patent for non-disclosure of information under section 8 must establish that non-disclosure has been deliberate and is material to the grant of the patent. The court also held that these are, at best, triable issues which do not require the court to summarily revoke the patent. ■



Jayanta Pal is a partner in the patents team at Remfry & Sagar. He has experience in patent law and practice, particularly in mechanical, chemical, electrical and electronic matters. He also has knowledge of both trademark and design laws. He can be contacted at: jayanta.pal@remfry.com



Nitin Kalra is an associate in the patents team at Remfry & Sagar. He has experience in patent drafting, prosecution, searching and technological landscaping, particularly in the electrical, electronics and telecoms fields. He can be contacted at: nitin.kalra@remfry.com