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Time for the rules to change

Pankaj Soni of **Remfry & Sagar** argues that patent applicants should be told when they have missed a deadline - as in the US and Europe

India's patent regime has already been through a fair share of discussion, debate and criticism. Whether it is big pharma and Section 3(d) or tech companies and Section 3(k), India's Patents Act has its followers and detractors, ready to indulge in passionate discourse (and lobbying) at the drop of a hat. However, in the bigger scheme of things some of the minor, yet important, aspects of India's patent regime are seemingly overlooked and not debated on a platform that is both necessary and productive. This article deals with one such issue: missed deadlines at the examination stage and the unfortunate result of patent forfeiture. It also suggests modifications to the Patent Rules, 2003 to accommodate such cases.

The fear of missed deadlines

A patent application in India typically passes through five stages en route to becoming an issued patent: filing, publication, examination, opposition and grant. Each stage has several deadlines that must be adhered to before an application proceeds to the next stage in the patenting process. Most deadlines are governed by a one-strike-and-you're-out policy. Failure to file a required submission within the period prescribed by the Rules is likely to result in patent forfeiture. That recent court decisions have been equally harsh in their treatment of such cases does not help the applicant. Of the many deadlines worthy of scrutiny, the deadline for filing a request for examination (RFE) of a patent application is, perhaps, the most deserving candidate for this discussion because of the high stakes involved: it determines whether or not the patent application will proceed to an examination on its merits. Miss this deadline and possibly forfeit your application (and your job!).

Therefore, not surprisingly, one of the biggest fears a patent agent carries with him is missing the RFE

deadline, a situation illustrated in the following hypothetical scenario. A patent application with an international priority date of January 1 2007 is pending before the Indian Patent Office. Under Rule 24B, the 48-month deadline for filing the RFE is January 1 2011. However, during the docketing process, the patent agent's staff incorrectly enter the RFE filing deadline as January 21 2011. Subsequently, the agent finds out on January 14 2011, when the docketing system generates a weekly reminder of upcoming deadlines, that the RFE deadline has been missed. What happens next?

After swallowing a few heartburn pills, the agent decides to file a petition under Rule 138 with the controller general of patents, designs and trademarks. Assuming that the petition is filed on January 15 2011 (so the RFE deadline was only missed by 14 days), the petition requests the controller to excuse the delay in missing the deadline and to grant a one-month extension to file the RFE on or before February 1 2011. As discussed below, the results can be heartbreaking for the applicant and cause more heartburn to the patent agent.

Heartbreak and heartburn under the rules

Under a strict interpretation of Rule 138, the agent's

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petition may be disallowed. Rule 138 states:

- 1) Save as otherwise provided in the Rules 24(B)... the time prescribed by these rules for doing any act or the taking of any proceeding thereunder may be extended by the Controller for a period of one month, if he thinks it fit to do so and upon such terms as he may direct.

2) Any request for extension of time made under these Rules shall be made before the expiry of prescribed period.

Accordingly, the controller may deny the petition on two grounds. First, he may assert that subsection (1) of Rule 138 does not permit extending RFE deadlines because the “save as otherwise” language specifically takes Rule 24B (RFE cases) out of its purview. A decision worth debating, but let us assume, for the sake of

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this discussion, that the petition survives the “save as otherwise” clause.

As a second strike against the petition, the controller may conclude that under subsection (2), the petition is untimely and therefore not sustainable because it should have been filed before the “expiry of prescribed period”, that is, before the completion of the 48-month deadline or January 1 2011, which did not happen in this case. But, all is not lost – yet.

A salvo by the Madras High Court

Despite the second strike, the agent may like his chances of surviving an adverse finding by the controller based on the Madras High Court decision in *Nokia Corporation v Deputy Controller Of Patents and Designs* (2010). In *Nokia*, the applicant had missed the deadline for filing a national phase application within 31 months of the priority date – a missed filing deadline case – and filed a petition for extension of time eight days after the deadline had passed. The controller did not entertain the petition. On appeal, the Madras High Court found favour in

the applicant’s position seeking an extension to file the application. Noting that the “object of Rule 138 is that prescribed time under Rule 20 can be extended by period of one month on showing of sufficient cause” the Court asked the controller to accept the petition and, exercising quasi-judicial power, to issue a decision on the merits by taking into consideration facts and circumstances of the case. Thus, under *Nokia* the agent’s 14-day late filing may be sustainable. Disaster averted? Not quite, and for the following two reasons.

First, had this been a missed filing deadline case (under Rule 20) the *Nokia* decision would be clearly precedential and the agent’s petition much more forceful. However, the *Nokia* decision is, arguably, only of persuasive value since the present scenario deals with a different deadline – request for examination (under Rule 24B). Therefore, the agent can only hope that the controller will be persuaded by the liberal holding of *Nokia* and, extending it to the present scenario, will accept (and grant) the petition for extension for filing the RFE.

Second, the controller may find precedence in the Delhi High Court decision in *Nippon Steel Corporation v Union Of India* (2011) rather than *Nokia*. In *Nippon Steel*, based on the priority date of the application, the applicant had missed the RFE filing deadline by over eight months. Creatively, the applicant sought to amend the priority date of the patent application (to a later date) thereby extending the RFE deadline. The controller refused to accept the applicant’s petition, asserting that because the RFE was not filed within the prescribed timeframe the patent application stood “withdrawn” and a petition to amend the priority date could not be entertained.

On appeal, the Delhi High Court affirmed the controller’s position, finding that an amendment to a patent application can be made only in “relation to an application that exists in law”. Because the application was considered withdrawn, it did not exist in the eyes of the law. Missing the RFE deadline had resulted in forfeiting the patent application. Thus, under *Nippon Steel*, the patent application discussed in the hypothetical scenario would cease to exist on January 2 2011, the day after the RFE deadline was missed.

Based on the above, the agent’s chances of reviving the application look slim. This brings a very important question to the fore – why does India’s patent regime dole out the harsh penalty of patent forfeiture for missing examination deadlines without first giving recourse to remedial action?

Don’t get me wrong, there is definitely no advo-

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cacy here for the slackers and for those who have blatant disregard for the Rules. Rules must be followed and enforced. But then, there must also be exceptions, where necessary, as there simply is no purpose served by terminating an application on the basis of an unintentional, human, clerical error. Shouldn't we have a system that decides patent rights on the merits of the application rather than on clerical errors?

A call for change

The straightforward answer is, yes. Therefore, the patent regime needs to modify the Rules of patent practice to accommodate cases pertaining to missed deadlines due to clerical errors, and this change can be achieved by implementing a simple two-step process:

Notification of withdrawal

The Rules should be amended to require the Indian Patent Office to issue a "notice of withdrawal" when an examination deadline is missed. Currently, the burden is entirely on the applicant. If he misses such a deadline, he does not receive a notification from the Patent Office informing him of the same. Other jurisdictions differ fundamentally in this aspect. Patent practice in the United States requires the USPTO to issue such a communication in the form of a Notice of Abandonment. The EPO also issues a communication to the applicant when a loss of rights has occurred without any decision concerning the refusal, grant, revocation or maintenance of the patent application.

To simplify the process in India, the communication can be a computer-generated notification issued on the basis of calendaring deadlines maintained by the Patent Office. The notice should be issued shortly after the deadline is missed (perhaps within 10 days) so as to minimise overall delay. To alleviate concerns regarding the burden and cost of mailing such notices, the notice may alternatively be put up on a fortnightly basis in the Patent Office Journal. This process will also mollify those individuals who feel that the notification provision will unnecessarily shift the burden of maintaining deadlines to the Patent Office, because in order to keep applications alive the applicant or agent must affirmatively review the Journal before taking the required steps towards saving the application.

Procedure for delayed filing

Once a communication has been issued by the Patent Office, the applicant should be allowed to take corrective action by filing the necessary documents within a prescribed period, for example within two months from the date of the notice. This delayed filing must be accompanied by a delayed filing fee that should be mandated by the First Schedule of the Rules. And the quantum of the delayed filing fee should be large enough to

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disincentivise slackers who may want to rely on the Patent Office to maintain their deadlines. Upon receipt of the filing within the prescribed (extended) time period, the application should be deemed as not withdrawn.

In principle, nothing new is being proposed here. Europe, like India, considers an application as withdrawn if, for example, a request for examination has not been made in a timely manner. However, unlike India, the EPO allows an applicant to request further processing of the European patent application even if it fails to observe a time limit. Further processing before the EPO can be requested by payment of the prescribed fee within two months of the communication from the EPO regarding the loss of patent rights.

In the United States also, the patent rules allow revival of an abandoned application. Thus, where an applicant contends that the application is not abandoned, a petition can be filed before the USPTO provided that it is filed within two months of the mail date of a notice of abandonment.

The system should help inventors

India's patent regime needs to decide whether it exists to help an inventor secure a worthy patent or, as the case is today (with respect to the specific issue at hand), create procedural roadblocks for the inventor. I, like many of my peers, strongly believe it is the former. Therefore, we need to amend the Rules to notify applicants of "withdrawn" applications and create a procedure for a delayed filing. How this framework is ultimately implemented is worthy of further attention and deliberation. But on its face, it is both plausible and practical to contemplate amendments to the Rules while ensuring that the sanctity of the Patents Act is maintained.