

THE PATENT (AMENDMENT) RULES, 2016

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Draft Patent (Amendment) Rules, 2015 proposing amendment to the Patent Rules, 2003, was issued by Ministry of Commerce and Industry on October 26, 2015 and has invited comments from the public.

The Government of India has now published Patent (Amendment) Rules, 2016 (Rules) vide notification dated May 16, 2015 amending the Patent Rules, 2003.

Some of the notable amendments are as under:

Benefits for Startup

Taking a step forward in the creation of business environment which is conducive for startup and promoting their patenting initiative, startup has been defined in the Rules as an entity (private limited company/partnership/LLP) where:

- a) More than five years has not lapsed from the date of its incorporation or registration
- b) the turnover for any of the financial years for the past five years is not more than 25 crores.
- c) such an entity should work towards innovation, development and commercialization of new products or services provided to do advancement in technology.

The entities will not be considered as a startup if:

1. Formed due to split-up or reconstruction of an existing business.
2. The entity is involved in the mere act of developing products and services which do not have potential for commercialisation, undifferentiated products and services and has no or limited incremental value for the customers or workflow.

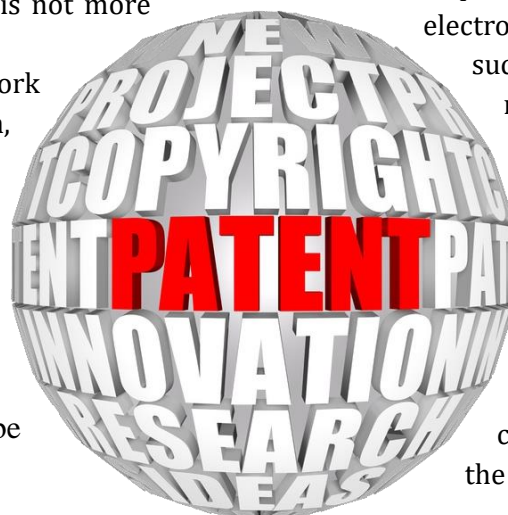
Other major benefits to the startups under the Rules are reduced fee, expedited examination of the patent application.

Leaving and serving of documents

“Courier service” has been removed as the valid mode of serving documents to the Controller. A major change that has been made is that a patent agent has to file, leave, make or give all documents only by electronic transmission after due authentication including scanned copies of documents that are required to be submitted in original. Documents required to be filed in original should be provided within 15 days of such electronic transmission, failing which such documents shall be considered not to have been filed.

Any written communication made to the patentee using email address would be considered as valid and properly addressed.

Controller has the power to condone the delay in transmitting the documents, if the delay was due



to war, revolution civil disorder, strike, natural calamity, unavailability of electronic communication devices or other similar reasons and action was taken as soon as possible within one month after the above mentioned situations have ceased. Burden of proof regarding validity of documents shall lie completely upon the applicant filing the documents.

Refund of fee

As per the Rules, discretion of the Controller for an acceptance of the cheque/draft, where the correct value is not mentioned has been omitted.

When a patent application filed initially by startup is partly or fully transferred to any person other than a natural person or startup, the difference in the scale of fees must be paid by the new applicant along with the request for transfer.

Fees once paid in respect of any proceeding will not be refunded irrespective of whether the proceeding has taken place or not. However, if the Controller is satisfied that the fee was paid more than once during the online filing process, then such amount will be refunded.

Further, in accordance to the Rules an applicant may claim refund of 90% of fees paid for request for examination/expedited examination, by filing a request for withdrawal of an application before the issuance of First Examination Report. Form 29 has been introduced for filing request for withdrawal of application under the Rules.

These policies have to be adhered to ensure the widespread adoption of standards, the very purpose for which a SSO is made. Therefore, licensing SEP on FRAND terms is a voluntary contract between the SSO and the SEP holder. However, the meaning of FRAND has not been defined by SSOs; it depends upon the nature of the transactions between the SEP holder (“licensor”) and the SEP implementer (“licensee”).

Expedited examination of application

A process of expedited examination has been elaborated under the Rules in order to expedite the processing of the application, if desired by an applicant. Such request for expedited examination can be filed in Form 18A (introduced in the Rules). Such request shall be made only by electronic transmission after due authentication within 48 months from the date of priority on any one of the following grounds:

1. India has been made as the competent International Searching Authority or International Preliminary Examining Authority in the corresponding International Application;
2. The applicant is a startup.

It has been clarified that if such request has been made by a startup then such request shall not be questioned merely on the ground that startup ceased to be startup after having filed an application for patent due to lapse of more than five years from the date of its incorporation or registration.

Further on receipt of such request for expedited request for examination the Examiner shall make a report within one month but not exceeding two months. On receipt of such report from the Examiner, the Controller shall dispose of the same within one month and issue First Examination Report to the applicant or his authorised agent within 15 days from the date of disposal of the report of Examiner by the Controller.

Time to put the application in order for grant

The time for putting an application in order for grant, has been reduced from twelve months to six months from the date of issuance of First

Examination Report. Hence, the applicant is required to respond the objections issued in the First Examination Report within six months of receipt of First Examination Report.

However, Patent Office subsequent to the notification of the Rules, has issued a public notice dated 18-05-2016, clarifying that applications where the First Examination Report have been issued by the Patent Office before 16-05-2016, the time for putting an application in order for grant shall remain 12 months. Whereas for the First Examination Reports issued by the Office on or after 16-05-2016, the provisions of Rules shall accordingly be applied.

Hearing

Hearings may now be held through video conferencing or audio-visual communication

Adjournment of hearing may be requested three days before the date of hearing by applicant along with the payment of prescribed fee. Also, such adjournment cannot be sought more than twice and each adjournment shall not be for more than thirty days.

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Deadline for filing of Power of Attorney

A deadline of three months has been implemented for filing of the Power of Attorney with the Indian Patent Office. The application will not be further processed, unless the Power of Attorney is filed. Previously, there was no deadline for filing the Power of Attorney.

Apart from amendments in the Rules new layout for some forms such as Form 1 (application for grant), Form 2 (Provisional/Complete specification), Form 3 (Statement and Undertaking under Section 8), Form 4 (Request for Extension of time), Form 28 (To be submitted by a small entity / startup) and new forms such as Form 18 A (Request for expedited examination of application for patent), Form 29 (Request for withdrawal of request for examination and request for withdrawal of application for patent), Form 30 (To be used when no other Form is prescribed) have also been introduced through the Rules.