

# JAPAN INTELLECTUAL PROPERTY ASSOCIATION

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25th November, 2015

To: Shri Rajiv Aggarwal  
Joint Secretary  
Department of Industrial Policy and Promotion  
Ministry of Commerce and Industry  
Udyog Bhawan, New Delhi-110011,  
India

Dear Shri Rajiv Aggarwal,

Re: "The Patents (Amendment), Rules, 2015"

The Japan Intellectual Property Association (JIPA) is a non-governmental organization that was established in 1938, which represents users of intellectual property systems. As an association having about 940 Japanese leading companies, JIPA submits recommendations and proposals to the relevant authorities and organizations with regard to the establishment of intellectual property systems overseas and improvements in the implementation thereof.

In reference to "The Patents (Amendment), Rules, 2015" on which your department invites public comments on the website, enclosed please find JIPA's comments on the amendment.

Your deeply consideration on these matters will be appreciated.

Yours faithfully,

(Hirokazu Bessho)

Vice President

Japan Intellectual Property Association

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## **JIPA's opinions on "The Patents (Amendment), Rules, 2015"**

**Japan Intellectual Property Association**

### **Introduction**

The Japan Intellectual Property Association (JIPA) comments on "The Patents (Amendment), Rules, 2015" as follows from the standpoint of applicants or right holders.

JIPA welcomes the willingness of the Indian government to amend the patent rules including the introduction of an expedited examination system so as to promote intellectual property (IP) awareness and advance the IP system. We believe that amending the current system to a user-friendly system for the applicants and rights holders can promote the use of the IP system within India, and thus provide more investments by foreign companies and also contribute to the "Make in India" activities.

In addition, we believe that improvement in Indian people's IP awareness leads to recognizing the importance of IP values as well as fostering a culture which respects IP rights of others in India.

We appreciate this opportunity to put forward our comments on "DRAFT RULES: The Patents (Amendment), Rules, 2015" as follows:

**1. Regarding Article 24B sub rule (4) of the Patents Rules, we would respectfully like to request that applicants be provided with an opportunity to make a reply by setting a due date with respect to each office action.**

**On the other hand, if it is difficult to revise the system, we would respectfully like to request the following two improvements to the current system.**

**Firstly, we request that an examiner decides the due date of subsequent examination in order to issue the second office action earlier if the applicant replies to the first office action early, with more time to spare than a certain part (several months) of the acceptance period.**

**Secondly, for cases which were registered after pending in examination for a long period of time after the expiration of the acceptance period despite the applicant's reply being made within the acceptance period, we request that the granting of an extension to the period of right with respect to the**

**period that has passed since the expiration of the acceptance period in order to prevent loss of the patent term of patentees.**

<Reason>

Article 21 of the Patents Act and Article 24B(4) require that patent applications be put in order for granting within a specified period (12 months) from the date of the first office action. We understand that this system effectively realizes relatively early granting of patents.

However, the number of patent applications is expected to increase in the future, and the number of office actions issued is also expected to increase along with it. We are concerned about the occurrence of delays in applicants' replies to the first office actions and delays in examination of applicants' replies due to such increases. In such circumstances, under the current system, the number of hearings with the Controller and the number of requests for reexamination will increase, which may cause an increase in the period and burden required for both applicants and the Patent Office to make a patent application be put in order for granting, in many cases.

Moreover, if there are provisions on the period until the second office action by an examiner in the case where an applicant replies to the first office action early, with more time to spare than a certain part (several months) of the acceptance period, applicants will be motivated to reply to the first office action early and examination efficiency is expected to increase.

Despite the existence of this system, there are regrettably applications which remain pending in examination for a long period of time even after the expiration of the acceptance period. If such an application is subsequently registered, loss of the patent term will occur. Therefore, we would respectfully like to request extension of the period of right with respect to the period passed after the expiration of the acceptance period, like the extension of patent term due to examination delay under the Uruguay Round Agreements Act under CFR 1.701 of the U.S., to compensate patentees for the patent term.

**2. We would like to request that the meaning of period defined under 24B sub rule (4) would be clarified.**

<Reason>

(1) It is uncertain as to which "The time for putting an application in order and under section 21(that is, four months from the date on which the first statement of

examination is issued to the applicant)" defined under 24B sub rule (4) means (i) the last date which an applicant has to submit an opinion and/or an amendment against the first statement or (ii) the last date which an applicant has to obtain a patent grant from the controller. We would like to request that the meaning would be clarified.

(2) It is also uncertain about the last date which an applicant has to submit an opinion and/or an amendment against the second statement of examination.

We would like to request to clarify as to which the last date which the applicant has to submit the opinion and/or the amendment against the second statement means (i) four months from the first statement of examination or (ii) four months from the second statement of examination.

"24B sub rule (4)"...The time for putting an application in order and under section 21 shall be four months from the date on which the first statement of examination is issued to the applicant to comply with the requirement

### **3. We strongly oppose the amendment to "24B sub rule (4) ".**

<Reason>

We understand that this amendment changes 12 months in the current system to 4 months for the period stipulated by The Patents Rules, 2003 CHAPTER 4 24B(4) (hereinafter referred to as the Acceptance Period).

However, there are a large number of cases where the deadline is missed even under the current system which adopts the period of 12 months. Many of the missed cases are cases where the applicant has already answered to the first examiner report and is waiting for a decision of the Patent Office, and the status of whether each case is to be "granted" or "rejected" is unknown.

Therefore, the applicant checks the status, for example by requesting the controller to do hearing through the agent. Therefore, if the Acceptance Period is shortened to 4 months, cases for which the status needs to be checked increases in number, which increases burdens on the applicant. Besides, we believe that even if this Acceptance Period is shortened to 4 months, the examination will not be accelerated unless the number of the examiners and controllers is increased significantly. Therefore, this proposed amendment has no benefit for the applicants.

**4. We oppose the introduction of "24B sub rule (5) Extension of the Acceptance Period".**

<Reason>

We understand that this system further extends the above Acceptance Period by two months.

Currently, not many cases are registered within 4 months from the date of issue of the first examination report. Therefore, this extension system will force many applicants to file a request for extension and make additional payment for extension in a large number of cases, which greatly increases burdens on the applicant. In addition, we presume that if a large number of requests for extension are filed, it will cause significant burdens on the Patent Office to prepare and secure a system and personnel for handling the large number of requests for extension.

"24B sub rule (5)"...The time for putting an application in order under section 21 as prescribed under sub rule (4) may be further extended for a period of two months on request in form 4 for extension of time along with prescribed fee is made to the Controller before the expiry period specified under sub rule(4).

**5. We oppose the introduction of "24B sub rule (6) ".**

<Reason>

We understand that this system stipulates the period during which the controllers shall dispose each case. However, it actually takes the Controller much more time than six months to dispose of each application. We hope you will reappraise whether six months is a realistic period for this purpose.

"24B sub rule (6)"...The controller shall dispose of the application made under sub-rule (1) within a period of six months from the date of receipt of the last reply to the first examination report or within a period of six months from the last date to put the application in order for grant under section 21 of the Act, whichever is earlier.

**6. As for "24C", we agree on the introduction of expedited examination.**

**However, we strongly oppose "6-1 fee" and "6-2 three requirements", and we would like to request your reconsideration on "6-3 limitation of the acceptable number of cases".**

**6-1 Since the fee is too high, we do not think that many applicants will use this system.**

<Reason>

For example, many Japanese companies which file patent applications in India will need to pay 250,000 rupees as a fee for requesting expedited examination. This is nearly 10 times the fee for requesting normal examination (20,000) and is significantly higher than such a fee in other countries. For example, no additional fee is required for expedited examination in JP and EP.

**6-2 Since all the three requirements (see \*1) are too strict as compared to the requirements for expedited examination in other countries, we do not think that many applicants will use this system.**

For example, the requirements for requesting expedited examination in Japan include having filed a corresponding foreign application (regardless of the country) or having already carried out the invention and therefore, it is a system easy to use.

**6-3 We would like to request that the rules relating to the limitation of the acceptable number of cases should be clarified (see \*2).**

For example, we would like to request that how the foreign applicant can confirm that the request becomes limited and how the limitation is released should be clarified.

\*1...

- (a) that the applicant in the corresponding international application has designated Indian Patent Office as the International Searching Authority and/or International Preliminary Examining Authority under Rule 19A and 19F as the case may be; or
- (b) the applicant or his assignee or prospective manufacturer (licensee) has already started manufacturing of the invention in India; or
- (c) that the applicant or his assignee or prospective manufacturer (licensee) undertakes that manufacturing the invention shall commence within two years from the date of grant of patent, if the same is granted]

\*2(13)Notwithstanding anything contained in sub-rule (1) and (2), the Controller may limit the number of requests for expedited examination to be received during the year by way of a notice to be published in the official journal for such expedited examination.

**7. In the case where expedited examination is requested by using the above-mentioned requirement (c), we would like to request the introduction of a system which allows the correction of the manufacturing plan after the request. In addition, we would like to request the introduction of a system which allows remedies in the case where achievement of the plan becomes difficult.**

<Reason>

For example, if the application has been registered earlier by using the following requirement (c) but manufacturing cannot be actually conducted, for example in a case where the manufacturing plant is submerged by a natural disaster, then it may be regarded as submission of "false information (false representation)" under Rule 24D(2) and the patent might be the subject of revocation.

(c) that the applicant or his assignee or prospective manufacturer (licensee) undertakes that manufacturing the invention shall commence within two years from the date of grant of patent, if the same is granted

**8. In connection with the expedited examination, we would like to request the introduction of the Patent Prosecution Highway (PPH).**

<Reason>

We believe that if the right can be granted earlier by PPH, Japanese companies can further promote investments in your country by which they can contribute to the promotion of "Make in India".

**9. We would like to request clarification of ambiguous parts in the schedule of fees in Table 1 (page 15 to 23).**

<Reason>

For example, there are a large number of parts where sentences are incomplete and not readable (entry 9, entry 9A, entry 13, entry 14, entry 14B). Therefore, it is difficult to understand the schedule. Besides, the table includes a part which reads as "2,750,000" (Rupees) for the fee for requesting expedited examination at entry 14A in the physical filing. This is thought to be a clerical error, and we would like to request the check and correction thereof since it is so expensive.

**10. We agree on the introduction of the refund system for the examination requesting fee (Form 29A).**

<Reason>

We welcome this since it is the introduction of a reasonable system for the applicants.

**11. As for implementation report (Form 27), we would like to request that burdens on the patent owners and licensees for the submission of the implementation report should be reduced.**

<Reason>

In order to submit the implementation report, it is necessary to survey the implementation status and prepare the information every year and to bear the costs upon requesting the agent to submit the report. This imposes excessive burdens particularly on the patent owners and licensees having a large number of patents.

Accordingly, we would like to request that the burdens for the submission of the implementation report should be reduced. For example, we propose the following mitigation schemes.

- 1) To alleviate the duty so that the implementation report may be submitted at least once every three years.
- 2) When it is expressed that a license is ready for being given, the submission of subsequent implementation reports is exempted.
- 3) If the invention is not yet implemented at the time of the first submission of the implementation report, the submission of implementation reports is exempted until it is implemented.
- 4) To use a simpler form for implementation reports. (See "*JIPA-proposal-type2.pdf*" in Appendix)

**12. As for information disclosure (Form 3), we would like to request that burdens on the applicants should be reduced.**

<Reason>

This provision stipulate that the applicant should provide information about the details of the applications in other countries within 6 months from the filing date of the patent application or 6 months from the directive of submission by the Controller. We understand that this is a system for referring to the details of the

application of other countries thereby to ensure the validity of the examination and reduce burdens therefor, etc.

However, when the information is not disclosed in accordance with the provision, severe penalties shall be imposed such that it constitutes reasons for opposition (Article 25 of the Patent Act), patent revocation (Article 64 of the Patent Act), etc. Nevertheless, the provision excessively requires submission of information which does not contribute to reduction in the burdens for the examination and information which is readily available to the examiner.

As explained above, we are confident that the provision deviates from the original spirit and imposes excessive burdens on the applicant. We would like to request that you should amend the draft system to a system with reduced burdens on the applicant.

End of Document

FORM 27

THE PATENT ACT, 1970(39 of 1970)

& The Patents Rules, 2003

Statement regarding the working of the patented

Invention on commercial scale in India

[See section 146(2) and rule 131(1)]

In the matter of Patent No. .... of .....

I/We .....

The patentee(s) or licensee(s) under Patent No. .... hereby furnish the following statement regarding the working of the patented invention referred to above on a commercial scale in India for the year .....

[Tick (X or L) mark in the relevant box]

( ) The patented invention: [ ] Worked [ ] Not worked

(a) If not worked: reasons for not working and steps being taken for working of the invention.

(a-1) [ ] Under preparation for the enforcement in India

(a-2) [ ] Discontinue / Stagnated business in India

(a-3) [ ] Other reasons.(details: )

(b) If worked:

i) { } manufactured in India,

{ } imported from other countries. (give country wise details)

) quantum and value (in Rupees), of the business related to the patent:

Quantum: { } Not Clear, { } ~10,000Unit, { } 10,000~1M.Unit, { } 1M.~100M.Unit, { } 100M.Unit~

Value (In Rupees):{ } Not Clear, { } ~1M.Re, { } 1M.~100M.Re, { } 100M.~1B.Re, { } 1B.Re~ ( )

the licenses and sub-licenses granted during the year:[ ] Yes [ ] No

( ) state whether public requirement has been met;

[ ] partly

[ ] adequately

[ ] to the fullest extent

at reasonable price

( ) I hereby declare promising discloser of Trade secrets relating information when exercise of compulsory license request for the patent is filed: [ ] Yes [ ] No

The facts and matters stated above are true to the best of my / our knowledge, information and belief.

Dated this ..... day of .....

Signature .....

To The Controller of Patents, The Patent Office, at.....