

Patent Rules 2020

March 15, 2021

The Centre has streamlined the procedures to submit statements regarding the working of a patented invention on a commercial scale, giving additional flexibilities to the patentee. The rules were amended following a Delhi High Court order on the matter in April 2018 and consequent stakeholder consultations.

In news: Supreme Court Ends Extension Of Limitation; Period From 15.03.2020 To 14.03.2021 Excluded From Limitation Period

Placing it in syllabus: Law & Policy

Dimensions:

- Amendments Made
- Why was the Amendment made?
- Criticisms of the Amendment

Content:

Amendments Made:

- Per the new rules, a patentee gets flexibility to **file a single Form-27** in respect of single or multiple related patents.
- Where a patent is granted to two or more persons, such persons may file **a joint Form-27**.
- Moreover, patentees would now be required to provide **'approximate revenue/value accrued'**. Also authorised agents would be able to submit Form-27 on behalf of patentees.
- If the **patented invention has not been worked the patentee/licensee is merely required to provide the reason and steps being taken** for working of the invention.
- The time available to patentees for filing Form-27 has also been extended to six months, against the current

- three months, from the expiry of the financial year.
- Patentees will not be required to file Form-27 in respect of a part or fraction of the financial year.
 - While on one hand the requirements in Form-27 regarding submission of information by patentees have been eased, it may be noted that **Section 146(1) of the Patents Act, 1970** empowers the Controller to seek information from the patentee, as may be deemed appropriate.
 - There are also important changes with reference to Rule 21 on filing of priority documents.
 - If the priority document is available in WIPO's (World Intellectual Property Organisation) digital library, the applicant would not be required to submit the same in the Indian Patent Office.
 - The applicant would be required to **submit a verified English translation of a priority document**, where the validity of the priority claim is relevant to the determination of whether the invention concerned is patentable or not.

Why do the changes in rules matter?

- Indian patent law grants a 20-year patent monopoly to an inventor.
- In exchange for such monopoly, India's patent law imposes a duty on the patentee to commercially work the invention in India to ensure that its benefits reach the public.
- Accordingly, section 146(2), a unique provision not found in patent laws of most other countries, requires every patentee and licensee to submit to the Patent Office an annual statement (Form 27 format) explaining the extent to which they have worked the invention in India.
- This statement is meant to help the Patent Office, potential competitors, etc. to determine whether the patentee has worked the invention in India and made it

sufficiently available to the public at reasonable prices.

- A failure of this duty could trigger compulsory licensing or even subsequent revocation of the patent under the Patents Act, 1970

Why was the Amendment made?

The rules were amended following a Delhi High Court order on the matter in April 2018 and consequent stakeholder consultations.

The centre acknowledged that the Form 27 format was problematic and provided an undertaking to the court to effect appropriate amendments.

The court accordingly disposed of the PIL in 2018 , directing the government to complete the amendment process within the timelines mentioned in the undertaking

Delhi High Court Case: Shamnad Basheer Vs UOI and others

- The PIL brought to the Court's attention the rampant non-filing and defective filing of Form 27 and sought a direction to strictly enforce the patent working disclosure rules and take action against the violators.
- The PIL also called for a reform of Form 27, arguing that the information it sought was grossly insufficient to ascertain the extent of the working of the patent.

Criticisms of the Amendment

- **Weaken the Strength of Form 27:** More importantly, instead of strengthening the form, the amendment has significantly weakened it further, thereby defeating the entire purpose of the amendment exercise.
- **Dilution of Disclosures:** The amendment has significantly watered down the disclosure format. The dilution of

patent working disclosure rules hampers the effectiveness of India's compulsory licensing regime. This in turn could hinder access to vital inventions including life-saving medicines, thereby impacting public health.

- **Difficult to verify Public use:** The omission to mandate disclosure of details makes it extremely difficult to ascertain whether the invention has been made available to the public in sufficient quantity and at an affordable price. The removal of the requirement of submitting any licensing information, including the disclosure of even the existence of licenses means that the patentees/licensees can just self-certify that they've worked the patent.
- **Against Public Interest:** The lack of critical information could prevent invocation of compulsory licensing and other public interest measures in cases of patent abuse and make certain inventions inaccessible to the public.

Mould your thought: Patent Rules 2020 has significantly weakened the critical duty imposed by the law on patentees/licensees to disclose patent working information. Critically Evaluate.

Approach to the answer:

- Introduction
- Discuss the amendments made
- Write about why the amendments were made
- Discuss the criticism of the amendments
- Conclusion