PATENT ACT, 1970

IMPORTANT AMENDMENTS TO
PATENT RULES IN INDIA

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1. The new Rules introduce a third category of applicant under Rule 2(da), wherein person other than a natural person shall include a "small entity".

2. The definition of a small entity has been included under Rule 2 (fa), wherein "small entity" means:

   ♦ in case an enterprise engaged in the manufacture or production of goods, an enterprise where the investment in plant and machinery does not exceed the limit specified for a medium enterprise under clause (a) of subsection (1) of Section 7 of The Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006);

3. Accordingly, as per this those enterprises will be considered as "small entity" wherein the investment of such an enterprise in plant and machinery does not exceed INR 100,000,000 Crore (approximately USD 1,636,000).

   ♦ in case of an enterprise engaged in providing or rendering of services, an enterprise where the investment in equipment is not more than the limit specified for medium enterprises under clause (b) of sub-section (1) of Section 7 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006).

4. Accordingly, as per this those enterprises will be considered as "small entity" wherein the investment of such an enterprise in equipment does not exceed INR 50,000,000 (approximately USD 82,000).

5. The basic fee for filing a patent application has been revised and is now also based on the criterion whether the applicant lodges an application with Indian Patent Office through e-filing or in a physical form (i.e. submits physical copy of the application).

6. The basic filing fee for the e-filing is cheaper than the physical filing of the application. The basic fee includes an application comprising 30 pages of specification and 10 claims.

7. The revised fee structure for basic filing fee of the application is follows as below:
For a natural person making an e-filing the basic filing fee has been raised by 60% from INR 1000 (approximately USD 16) to INR 1600 (approximately USD 26) and for physical filing basic filing fee has been raised by 76% from INR 1000 (approximately USD 16) to INR 1760 (approximately USD 29);

For persons other natural persons which includes the small entity and others except the small entity (i.e. the Large Entity), the basic e-filing fee for small entities is INR 4000 (USD 65) and for physical filing the basic fee is INR 4400 (USD 72); whereas for the large entity the basic e-filing fee has been increased by 100 % i.e. from INR 4000 (USD 65) to INR 8000 (USD 131) and for physical filing the basic fee has been raised by 110% from INR 4000 (USD 65) to INR 8800 (USD 144).

8. The Small entities need to submit form 28 along with proof of small entity status at every stage where the fee applicable for a small entity is claimed.

9. However, the notification by Controller General clarifies that at least once the Form 28 should be filed with each application number to be qualified as Small Entity status.

10. The amended rules provide for 10% additional fee when the applications for patent and other documents are filed through the physical mode, i.e., in hard copy format as opposed to the online mode.

11. A new Form 7 (A) has been provided for filing "Representation Opposing Grant Of Patent" under sub-section (1) of Section 25 and sub-rule (1) of Rule 55 of the principal rules.

12. However, no fee shall be payable for the same.
1. **Rule 2: Clause (db) inserted.**

This is an important insertion in Rule 2, as it paves the way for requesting expedited examination of patents, and lays the foundation for the newly inserted Rule 24C.

2. **Rule 24C introduced providing Form 18A for Expedited Examination.**

- The introduction of Form 18A sets up the mechanism for an applicant to file a request for an expedited examination. As per rule 24 (C), an applicant may file a request for expedite examination if:
  
  1. he/she has indicated India as the competent International Searching Authority or elected India as an International Preliminary Examining Authority; or
  2. applicant is a start-up

- The introduction of Rule 24C is a major step towards expediting the patent prosecution process by laying down clear provisions with regard to the grounds on which it can be done, payment of fees, special provisions focusing on startups, etc.
- Further, a request for examination filed under rule 24B may be converted to a request for expedited examination.
- The First Examination Report (FER) in case of expedited examination shall be issued in 3 and half months and the reply to the office action shall be filed within 6 months from the date of issuance of FER.
- The Controller shall dispose of the application within 3 months of receiving FER response.

3. **Proviso added to Rule 7(4) and Sub-Rule 4A added to Rule 7: Refund of Fee.**

- The Proviso added to sub-rule 4 of Rule 7 allows refund of excess fee in cases where fee was paid more than once during the online filing process, for the same proceeding.
- Sub-rule 4A also added after sub-rule 4 provides for refund upon withdrawal of application on a request made by the applicant on Form 29.
4. **Sub-rule (2) to Rule 8 amended – Form 30 introduced where no form specified.**

- The amended Sub-rule (2) provides for Form 30 to be used where no form has been specified for any purpose.

5. **Rule 26 amended: Request for withdrawal on Form 29.**

- This amendment lays down that request for withdrawal of application shall be made in Form 29, and not "in writing".

6. **Rule 6 amended: Leaving & Serving Documents – Online filing; Delay in filing to be condoned only under limited circumstances.**

- As per inserted sub-rule 1A, electronic transmission is the only way through which a patent agent can file the required documents (which are authenticated) before the Controller, thereby providing for more efficient transmission, cataloguing, and preservation of the documents.
- The proviso imposes an obligation to file the electronically submitted documents in original within 15 days.
- Under sub-rule 6, the reasons for condonation of delay are limited to war, revolution, civil disorder, strike, natural calamity, and a general unavailability of electronic communication services.
- There is a further requirement that the situation must have been of such severity as to disrupt the normal communication in that area.
- This provision ensures that delay is not condoned for superficial reasons. Sub-rule 7 clarifies that the burden of proof of authenticity of documents shall lie with the one who files.

7. **Rule 28 amended: Hearing through video-conference in cases of anticipation by prior publication.**

- The amendment allowing hearing in anticipation matters under section 13 to be held through video-conferencing is a welcome addition as it provides for an inclusive and efficient procedure for interested parties who are based outside India or not available to attend the hearing.

8. **Rule 5 amended: Address for service.**
Rule 5 now clarifies that every person/applicant shall furnish a postal address in India, along with an e-mail address to the Controller.

The obligation on the Patent agent to provide a mobile number registered in India makes this provision more stringent and effective.

9. **Rule 13 & 14 amended: Writing claims and amendments to specifications – procedure clarified.**

- In Rule 13, it has been directed to include the reference number of drawings in the claims as well.
- The amendment to Rule 14, with regard to amendments to specifications has been elaborated upon, and the procedure in this respect is further clarified.


- From the date of filing of application, a time period of 3 months is given for filing of Power of Attorney. Once the prescribed time period of 3 months is lapsed then no action shall be taken.

11. **Rule 24B (6) amended: Reply to office action – time period reduced.**

- The time period for putting an application in order for grant is reduced to 6 months from the earlier time period of 12 months.
- However, the Office by a further notification on May 18, 2016 clarified that the time for replying to FER is 6 months for the cases where the FER is issued on or after May 16, 2016.
- Hence the time period for filing response to FER for cases where it has been issued before May 16, 2016 shall remain 12 months from the date on which the same was issued.

12. **Rule 129A inserted: Restriction on adjournment of hearings.**

- An applicant seeking an adjournment has to make a request for hearing with reasonable cause, at least three days before the date of hearing, and no party under no circumstances shall be given more than two adjournments and each adjournment shall not be for more than thirty days.
“Startup” means

(a) an entity in India recognized as a startup by the competent authority under Startup India Initiative.

(b) In case of a foreign entity, an entity fulfilling the criteria for turnover and period of incorporation/registration as per Startup India Initiative and submitting declaration to that effect.

Explanation: In calculating the turnover, reference rates of foreign currency of Reserve Bank of India shall prevail.

According to the Patents (Amendment) Rules, 2016 startups were defined as entities which are working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property where more than five years have not been lapsed from the date of incorporation/registration with a maximum turnover of INR 25 crore per year.

However, according to the Patent (Amendment) Rules, 2017, a startup can be any Indian entity recognized as a startup by the competent authority under the Startup India Initiative or a foreign entity that fulfils criteria for turnover and period of incorporation/registration as per Startup India Initiative.

Under Startup India Initiative an entity shall be considered as a Startup, if it fulfils following criteria:

1. Incorporated as a private limited company or registered as a partnership firm or a limited liability partnership in India;
2. Incorporated or registered in India not prior to seven years, however for Biotechnology Startups not prior to ten years;
3. Turnover for any of the financial years since incorporation/registration has not exceeded INR 25 crores;
4. Has not been formed by splitting up or reconstruction of a business that was already in existence; and
5. Working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation.
In view of the foregoing, it can be concluded that the period of incorporation/registration that was 5 years under 2016 rules has been extended to 7 years (10 years in case of biotechnology startups) by the 2017 rules.

Also, foreign companies can now claim benefits if they fulfill above mentioned criteria for turnover and period of registration as per Startup India Initiative.

Further, to claim benefits for filing patents, Indian entity should be recognized as a startup by a competent authority under Startup India Initiative, whereas foreign entity may provide equivalent documents as an evidence for fulfilling criteria for turnover and period of incorporation/registration as per Startup India Initiative along with a declaration to that effect.
PATENT (AMENDMENT) RULES, 2018

1. In respect of an International application, a patent agent shall file, leave, make or give all documents including scanned copies, only by electronic submission.

2. The original documents should be submitted to the IPO, within 15 days of the electronic submission.

3. This draft proposes 4 categories of applicants for filing expedited examination requests viz:
   - Small entity
   - Female applicants in case of natural persons only or at least one of the applicants is female
   - A government undertaking in case of a foreign applicant
   - An applicant who is eligible under an arrangement for processing an agreement between Indian Patent Office [IPO] with another participating patent office.

4. The relevant documents need to be submitted in order to establish the eligibility for the expedited examination.

5. The controller shall constitute a bench comprising two members; who shall proceed to dispose off the application and the representation jointly.

6. If the members of the bench differ in opinion on any issue; the controller shall nominate a third member and subsequently the majority decision will be treated as final.

7. 48A states that no transmittal fee is applicable if the filing is done electronically.

8. 49A states that no fee is applicable for the Indian applicants for the preparation of a certified copy of priority document and e-transmission through WIPO-DAS (Digital Access Service).

9. Currently, the IPO charges INR 16000 as transmittal fee and INR 5000 (up to 30 pages and thereafter 150 for each extra page) for the preparation and transmittal of priority documents for others.