

JAPAN INTELLECTUAL PROPERTY ASSOCIATION

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Shri Rajiv Aggarwal
Joint Secretary
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion
Udyog bhawan, New Delhi
India

Dear Shri Rajiv Aggarwal,

Re: Proposals for further improvements in Indian patent system (Expedited examination, PPH, and others)

It was a great pleasure for us, the Japan Intellectual Property Association's representative delegation, to have a meeting with your office's and DIPP's members on February 6th 2017 at your Delhi office. The meeting was very fruitful and useful. After returning to Japan, we have confirmed the acceleration in the examination of trademark applications filed by JIPA members. We would like to express our sincere appreciation on your efforts in expediting the trademark examination.

In the meantime, we have reconsidered a few of our requests and proposals as the attached document. We think these amendments bring benefits to not only Japanese companies but also to Indian companies and society.

Your kind consideration of these issues would be sincerely appreciated.

Yours very truly,

(Tomonori BEKKU)

Vice President
Japan Intellectual Property Association

Enclosure: Proposals for further improvements in Indian patent system
C.C.: Shri. O P Gupta, IAS, CGPDTM

Proposals for further improvements in Indian patent system

Japan Intellectual Property Association

1. Introduction of expedited examination easy for Japanese companies to use

<Relevant provisions>

Article 24C of the Patent Rules

<Proposal & Request>

We would like to request the relaxation of the requirements of expedited examination so that the system can be used by such applicants who are in need of an immediate protection of their invention.

<Reasons>

According to our review of the "grounds for expedited examination (see *1)," the expedited examination newly introduced is found to be not available to most Japanese companies.

First, for the "grounds for expedited examination" prescribed in The Patents(Amendment), Rules, 2016, Japanese companies like JIPA members, who occupy the majority of the applicants of patent in Japan, have no choice except for requirement (a). Furthermore, as Japanese companies file a PCT application in Japanese with the JPO as a receiving office according to the first-to-file system, they can only select either JPO or EPO as an International Searching Authority or an International Preliminary Examining Authority. Then, in principle, even requirement (a) is not satisfied, and thus it is impossible for many Japanese companies to use the newly introduced expedited examination.

*1 Grounds for expedited examination

The Patents(Amendment), Rules, 2016

- (a) that India has been indicated as the competent International Searching Authority or elected as an International Preliminary Examining Authority in the corresponding international application; or*
- (b) that the applicant is a startup.*

In view of the above, we would like to expand opportunities to, for example, applications relating to

- (i) Green technology*
- (ii) Information technology*
- (iii) Technology used by a third party*
- (iv) Technology used in India*
- (v) Application which has patent family*

Especially with regard to the technologies of above (i) and (ii), Japanese companies have a wide variety of technologies and a large number of achievements thereof in Japan. An expedited examination system which is easily available to Japanese companies would be an incentive for them to file patent applications in India, leading to a better motivation for investment in India. And we think that these amendments bring benefits to not only Japanese companies but also to Indian companies and society.

We would appreciate it very much if you would consider relaxing the requirements of expedited examination so that Japanese companies can use the system.

2. Introduction of the PPH

<Relevant provisions>

None

<Proposal & Request

We would respectfully like to request the introduction of the Patent Prosecution Highway (PPH).

<Reasons>

The PPH including the pilot program has been introduced into 35 countries. The PPH is becoming global standards these days.

The PPH speeds up the examination process for corresponding applications filed in participating countries by allowing examiners to reuse search and examination results. The PPH is a framework in which an application whose claims have been determined to be patentable in the Office of First Filing (OFF) is eligible to go through an accelerated examination in the Office of Second Filing (OSF) with a simple procedure upon an applicant's request. This framework has further developed into the MOTTAINAI-PPH.

As described above, since the introduction of the PPH would greatly reduce the burden of and accelerates the process of search/examination in the Indian patent office, we would respectfully like to request the DIPP to adopt the PPH.

3. Abolishing obligation to submit statement on working of patents, to protect trade secrets

<Relevant provisions>

Article 146(2) and (3) of the Patents Act, Article 131(1) and (2) of the Patents Rules

<Proposal & Request>

We would like to request the reduction of the burden of submitting a statement on the working of patents by patentees and licensees, and also the protection of trade secrets described in the statement.

<Reasons>

It is an excessive burden to patentees who own many patents or licensees to investigate the condition of working of patents to prepare information necessary for the submission of a statement on the working thereof, and to pay the fees for entrusting the submission to agents every year. It may cause them to refrain from filing applications in India. If foreign companies, in particular, who intend to protect results of their technical development in India by patents, are forced to bear an excessive burden to maintain the patents, they may refrain not only from filing applications in India but also from investing in India, such as establishing research and development bases.

Thus, we would like to request the reduction of the burden of submitting a statement on the working of patents, or the abolition of the system of submitting such a statement itself.

To reduce the burden to applicants, we have a few proposals such as to allow applicants themselves to submit statements on the working of patents, allow applicants to browse their own states/applications on the web, and if you modify how to answer statements, allow applicants enough time to know it in

advance.

The CGPDTM of India discloses, on its website, the PDF files of statements on the working of patents submitted by applicants under Section 146(3) of the Patents Act. Most of the descriptions in the statement are companies' trade secrets, such as sales quantity and price. For patentees and licensees, disclosure of such information to their competitors may cause loss of their competitiveness in their future businesses.

Therefore, we would like to request that descriptions including trade secrets, such as sales quantity and price, should be removed from statements on the working of patents, or these descriptions are kept undisclosed in the statements, or to allow the descriptions to be undisclosed upon appeal as with the license registration system. Alternatively, we would like you to abolish the system of submitting statements on the working of patents itself as described above.

4. Obligation to submit information on foreign applications

<Relevant provisions>

Article 8 of the Patents Act, Article 12 of the Patents Rules

< Proposal & Request>

(1) Regarding the obligation to submit information required under Article 8 of the Patents Act, we would respectfully like to request that the relevant provisions are revised into ones that do not impose an excessive burden on applicants. Furthermore,

(2) We also would like to request establishing certain standards which show the conditions under which a patent is revoked.

<Reasons>

(1) Reducing obligation to submit information

We understand that Article 8 of the Patents Act provides that any applicant who has filed an application in any country outside India shall disclose information on the detailed particulars of the foreign application within six months from the application filing date or within six months from the date on which the Controller orders the disclosure of such information. We also understand that this system can improve the quality of examination and reduce burdens of examiners by taking into consideration the detailed particulars of the applications filed in other countries.

However, failure to submit information in accordance with the provision is subject to a severe punishment, such as being grounds for opposition (Article 25 of the Patents Act) or grounds for revocation of the patent (Article 64 of the Patents Act). Thus, management for preventing omissions in the submission of information is a heavy burden to applicants.

Moreover, a request for information disclosure under Article 8(2) is ordinarily stated in an office action. In the request, the applicant is generally required to submit an English translation of a search and/or examination report provided by the applicant if the report is written in a language other than English. In case of Japanese applications, under the present situation, applicants cannot obtain English translations of necessary information through the Advanced Industrial Property Network (AIPN) although the Indian Patent Office can obtain such English translations through the AIPN. The cost of translating the

necessary information imposes a heavy burden on Japanese companies who file applications in Japanese in many cases compared to European and U.S. companies.

Upon our visit to the Delhi Patent Office in February 2017, we received your comment saying, "we are improving Indian Patent Office' database so as to enable Indian examiners to refer to WIPO's data. We think that the burden of information disclosure on applicants will be reduced when the new DB fully works." At USPTO and EPO, the details of applications are open to the public. Also, as mentioned above, the details of Japanese applications translated in English are provided by JPO to the Indian Patent Office through the AIPN. (http://www.jpo.go.jp/torikumi_e/kokusai_e/establishment_aipn.htm)

Now, how is the Indian Patent Office DB improvement progressing? We would appreciate it very much if you would let us know any concrete measures to reduce burdens such as no need for applicants to submit information available from the database of WIPO or patent offices of other countries.

Furthermore, we would appreciate it if you could introduce a rule, like the IDS in the US, allowing us to submit information after the due date, even if we fail to submit the information on or before the due date.

(2) Provisions relevant to revocation of patent

It's difficult to judge "the same or substantially the same invention" from applicant side. On the other hand, as mentioned above, a violation of the article 8 could be the grounds of opposition to the grant of patent (Article 25 of the Patents Act) and the grounds of revocation of patent (Article 64 of the Patents Act). Those situations impose heavy burden to applicants in submitting information or risk of revocation of patents. Therefore, we would like to request to introduce a rule for making it clear that "the same or substantially the same invention" in the Article 8 of the Patents Act means "applications that are associated with the same priority".

Meanwhile, in the decision given in 2014 (Sukesh Behl & Anr. v. Koninklijke Phillips Electronics, Delhi High Court, No. 1), it is confirmed that the patent will not be revoked automatically in case of failure to submit information in accordance with the provision of Article 8 of the Patents Act, but be revoked in case that the court considers the failure as being intentional and being not able to be overlooked. According to the above decision, the court will judge whether the patent should be revoked or not by the reason of the failure to comply with the provision (Article 64 of the Patents Act) on the basis of the submitted evidences. It is quite natural that the court will do so. However, as the judgement of revocation of patent makes a serious effect to the applicant, we think all matters should not be left to the discretion of the court and it is desirable to establish certain standards like a guideline which shows the conditions or circumstances where a patent has a risk of being revoked. We believe that the establishment of such standards meets the National IPR Policy published in 2015, and improving stability of India patents will promote a number of patent applications in India.