

## **KEY HIGHLIGHTS OF THE PATENTS (AMENDMENT) RULES, 2016**

The Patents (Amendment) Rules, 2016 (“the Rules”) have come into force upon publication in the Official Gazette *vide* notification dated May 16, 2016 by the Government of India, Ministry of Commerce and Industry (Department of Industrial Policy and Promotion) in Part II, Section 3, Sub-section (i) of the Gazette of India, Extraordinary. The draft Patents (Amendment) Rules, 2015 were published by the Ministry in October, 2015 inviting suggestions/objections from stakeholders.

Key highlights of the amended Rules are appended below:

### **1. Introduction of a new category of applicant - “Startup”**

By insertion of clause (fb) to Rule 2, a new category of applicant has been introduced namely “Startup”, which has been defined as an entity, where:

- (i) more than five years have not lapsed from the date of its incorporation or registration;
- (ii) the turnover for any of the financial years, out of the aforementioned five years, did not exceed rupees twenty-five crores (approx. *US\$ 40m*); and
- (iii) it is working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property:

However, any such entity formed by splitting up or reconstruction of a business already in existence is not to be considered as a startup.

Further, the mere act of developing products or services or processes which do not have potential for commercialization, or undifferentiated products or services or processes, or products or services or processes with no or limited incremental value for customers or workflow would not be covered under this definition.

Entity has been defined to mean a private limited company (as defined in the Companies Act, 2013), or a registered partnership firm registered under the Partnership Act, 1932 or a limited liability partnership under the Limited Liability Partnership Act, 2002.

### **2. Official fee payable by a startup**

The fees payable by a startup is equivalent to that payable by a natural person and, in most cases, 80% less than the fees payable by a large entity (an entity other than a natural person or startup or small entity).

### **3. Fringe benefit for a startup entity concerning fees**

The newly introduced sub rule 3B, of Rule 7 envisages that in case an application processed by a startup is fully or partially transferred to any person other than a natural person or a startup, the difference, if any, in the scale of fees charged from a startup and such person to whom the application is transferred, shall be paid by the new applicant with the request for transfer.

However, in case the startup ceases to be a startup after filing a patent application due to lapse of five years from the date of its incorporation/ registration or its turnover exceeds the 25 crores limit, fees payable by the startup will remain the same i.e. no such difference in the scale of fees is payable.

### **4. Expedited examination of applications**

Rule 24C, as inserted after Rule 24B envisages that an applicant may file a request for expedited examination in Form 18A along with the prescribed fee only by electronic transmission duly authenticated within the time period prescribed in Rule 24B of the Rules on any of the following grounds:

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

The aforesaid request for expedited examination must be accompanied by a request for publication under Rule 24A, except in cases where the application has already been published or a request for publication has already been filed.

The examiner shall make a report to the Controller within one month but not exceeding two months from the date of reference of application to him by the Controller and the Controller shall dispose the report within one month of the receipt of the same.

The First Examination Report (FER) is to be issued by the Controller to the applicant/agent within fifteen days from the date of disposal of the report of the examiner by the Controller.

The time for putting an application in order for grant shall be six months from the date of issuance of FER, which is further extendable to a period of three months on a request of extension in Form-4 along with the prescribed fee before the expiry of the six months' time period.

The Controller shall dispose of the application within a period of three months from the date of receipt of last reply to the FER or within a period of three months from the last date to put the application in order for grant, whichever is earlier.

This time limit is not applicable in case of pre-grant opposition.

**5. Conversion of request for examination (RFE) to a request for expedited examination**

The new sub rule (2) of Rule 24C envisages that RFE may be converted to a request for expedited examination by citing any of the grounds for expedited examination as mentioned under previous point and filing Form-18A only by electronic transmission duly authenticated within the time period prescribed in Rule 24B of the Rules.

**6. Reduced time for putting an application in order for grant**

The new sub rule (6) of Rule 24B envisages that in cases where the FER is issued on or after May 16, 2016, time for putting an application in order for grant shall remain six months from the date on which the FER is issued to the applicant to comply with the requirements. The said time period is further extendable to a period of three months upon a request in Form-4 with the prescribed fee before the expiry of the six months' time period.

**7. Hearings via communication means**

As per sub rule (6) of Rule 28, hearings may also be held through video-conferencing or audio-visual communication devices and such hearings shall be deemed to have taken place at the appropriate office.

**8. Adjournment of hearing**

Rule 129A states that the applicant or a party to a proceeding may make a request for adjournment of the hearing with reasonable cause along with the prescribed fee, at least three days before the date of hearing. However, the party shall not be given more than two adjournments and each adjournment shall not be for more than thirty days.

**9. Speedy examination of divisional applications**

The amended clause (i) of sub rule (2) of Rule 24B states that the order of reference of a divisional application shall be same as that of the parent application.

Provided that in case the parent application has already been referred for examination, the divisional application is mandated to be accompanied by a RFE and it shall be published within one month from the date of filing of such RFE and thereafter, the same shall be referred to the examiner within one month from the date of such publication.

**10. Refund of fees in the event of withdrawal of application**

Sub rule (4A) of Rule 7 states that if an application for which RFE has been filed is withdrawn before issuance of the FER, 90% of the fee paid for the RFE or request for

expedited examination may be refunded, upon a request made by the applicant in Form-29.

#### **11. Time period for submission of Power of Attorney (Form-26)**

The authorization of an agent shall be filed in Form-26 within a period of three months (earlier no time period was prescribed) from the date of filing of an application or document, failing which no action shall be taken on such application or document till such deficiency is removed under amended Rule 135.

#### **12. Filing of International applications designating India**

An international application as filed under PCT including any amendments made by the applicant under Article 19 or sub clause (b) of clause (2) of Article 34 of the PCT may be made in Form-1 under sub rule (1) of Rule 20.

Provided that the applicant, while filing such application on Form-1, may delete a claim in accordance with Rule 14.

#### **13. Fee limitation on nucleotide sequence listing**

Entry 1 of the First Schedule restricts the fee payable for nucleotide sequence listing pages under sub rule (3) of Rule 9 to a maximum of INR 24000 [upto 150 pages] irrespective of the number of pages.

#### **14. Issuance of certificate of renewal of the patent**

According to amended Rule 93, a certificate of renewal of patent will be issued upon receipt of the payment of the prescribed renewal fee in respect of a patent and such payment, along with the date of payment has to be entered by the Controller in the register of patents.

#### **15. Address for service**

Every person, concerned in any proceedings to which the Act or the Rules apply has to furnish to the Controller an address for service including a postal address in India and an e-mail address *vis-à-vis* amended Rule 5. A patent agent is also required to furnish a mobile number registered in India. This has two fold advantage *i.e.* faster as well as paperless communication.

#### **16. Electronic submission of documents**

As per the provisions of Rule 6(1A), the documents that are required to be submitted by the Patent agent in original after filing them electronically are:

- The Authorization of Patent Agent or Power of attorney (under Rule 135)

- Proof of the right to make an application (under Rule 10)
- Deed of assignment, certificate regarding change in name of the applicant, license agreement, etc. (under Rule 91)
- Declaration regarding inventorship (under Rule 13(6))
- Priority document (under Section 138 or Rule 21).

Provided that the aforesaid document/s shall be submitted to the Patent Office within 15 days from the date of filing or submitting the document/s electronically.

#### **17. Condonation for delay in submitting documents**

By introduction of sub rule (6) to Rule 6, the Controller may condone the delay in transmitting or resubmitting a document to the Patent Office or performing any act by a party, if a petition for such condonation of delay is made by the party to the Controller along with a statement regarding the circumstances of the fact and evidence in support of the statement, to the satisfaction of the Controller, that the delay was due to *force majeure*. However, the relevant action must not be taken later than one month from the date when such circumstances/situation had ceased to exist.

#### **18. Supply of certified copies and certificates**

The amended Rule 133 states that the certified copies of any entry in the register, or certificates, or extracts from patents, specifications and other public documents in the Patent Office may be furnished by the Controller on a request made to him along with the prescribed fee within a period of one week..

#### **19. Introduction of Form-30**

The amended Rule 8, sub-rule (2) provides that an applicant may use Form-30 as specified in the Second Schedule, where no Form is so specified for any purpose.

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