Amendments In the Current Administrative Set up of Indian Intellectual Property Office

Towards Effective Working

Currently the Intellectual Property Office is headed by Controller General of Patents, Designs and Trademarks which is witnessing huge backlog owing to scarcity of work force. FICCI proposes amendments in the current set up with an aim to make the working of IP office more effective besides proposing some of the amendments which if implemented may help in reducing the current work load. Extensive research done by FICCI with respect to various foreign IP offices and response from relevant stakeholders forms basis of proposed amendments.

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The Controller General of Patents, Designs and Trademarks has floated a discussion paper regarding the restructuring of Indian Intellectual Property Office aim of which is to streamline the working of Indian IP office and bring it at par with the international standards. Various models are being proposed one of which suggests delinking Trademark office from direct reporting to the CGPDTM besides suggesting that the office of CGPDTM should be given complete autonomy by making it financially independent. The discussion paper is available at http://dipp.nic.in/English/Discuss_paper/DiscussionPaper_CGPDTM_05October2011.pdf

FICCI has done a comparative research of various patent offices across the globe with an aim to identify the most appropriate set up which may be implemented for Indian Patent Office (IPO) and the reasons thereof as to why such a set up is beneficial over the other proposed. The details regarding administrative set of these offices are given in **Annexure I.** A listing of the patent office's we studied for this purpose is:

- US (USPTO)
- Japan Patent Office (JPO)
- Australia Patent Office
- United Kingdom IPO
- Brazil PTO
- South Africa (CIPRO)
- Germany (DPMA)
- China SIPO
- European Patent Office (EPO)

These nations have a set up in which the Trade Marks, Designs, GI and the much complex Patents are clubbed under one common head, which is further headed under the aegis of one Department/Ministry. They all advocated for the Patents & Trademarks to be incorporated under one common head for the reasons cited below:

Advantages:-

(i) There is considerable reduction in costs or expense as against running two separate establishments for patents and trademarks.

(ii) It also presents the possibility of sharing support services, finance, HR, estates management, IT management, policy, customer care, postal services, etc. This is far less costly than having individual support services and therefore, more emphasis and resources can be placed on core activities. A key advantage is that shared services also enable multi functional working (e.g. linking HR and Finance together).

(iii) That there is the possibility of standardizing and streamlining specific procedures. It is also much less costly in terms of outsourcing and contract management.

(iv) Moreover, it is also beneficial for the rights holder as they have one window for protection of all forms of IP." Such an organizational structure allows greater ease in responding to user and consumer interests; such that the consumer may find it convenient to file, oppose and defend patent and/or trademark applications in the respective offices housed within one establishment. Thus, one establishment may serve the dual purpose of filing and prosecution of patents as well as trademarks.

(v) Having all IPR policy in one place is important as there can be close exchanges of experiences and agreed directions that avoid conflicting approaches. This was evident in the UK when drafting new trademarks and patents legislation. E.g. rules surrounding delivery times and registration systems could be easily aligned and therefore much more customer friendly.

(vi) In terms of personnel, staff can be interchanged between operational and support services offering far more options, prospects and job satisfaction.

(vii) Having one organization to handle all IP issues makes for a coordinated and effective approach, both in terms of administration as well as policy perspective.

(viii) It helps the organization have a holistic and broader picture view on all IP issues which enables them to have a consistent approach. This helps not only in the domestic arena but also internationally.

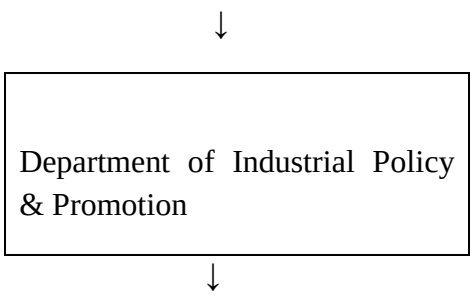
(ix) There is a strong possibility of more focus on individual rights instead of focusing on holistic view of Intellectual property.

(x) It would be beneficial in terms of Best Practices, any particular know how to deal with situations being shared.

(xi) It is convenient in terms of providing technical assistance (e.g. patent or trademark examiner training), the international bodies and organization find it easier to liaison with one body instead of contacting different divisions.

POPOSED MODEL FOR THE INDIAN INTELLECTUAL PROPOERTY OFFICE

On the basis of above, we propose the following set up for proposed model as the most suitable for Intellectual Property Office (IPO).



Office of the Controller General of Patents, Designs

Best Practices followed by various International IP offices to overcome the load

We have collated some of the best practices that various countries world over are following to overcome the load of work in terms of trivial filling. In various instances, we have seen that many patent applications are denied for reasons of lacking novelty.

So as to reduce the number of such fillings which are primarily defensive in nature, provided below are some of the strategies that are followed world over, which may be considered for implementation in our current IP Regime.

1. A policy followed In Japan to reduce the number of applications for scrutiny

The office provides the applicants with an option to withdraw their application and get 50 percent of their application fee refunded before the first action is taken by the JPO.

Alongside considering incorporating this measure, this may also be extended to refund approx. 20 percent of application fee, in case the search has been conducted by the IPO.

In certain cases where it would be apparent that the application lacks novelty it shall be beneficial for the applicant to have an option of withdrawing the application at some refund. In the event of former case, it will reduce the number of application filling and will reduce the time consumed in the opposition, in the later stage thereby helping in reduction of load on IP offices.

2. US Binding Model (As per US Patent rules § 1.56, Duty to disclose information material to patentability)

The US Patent rules § 1.56 imposes a duty on the applicant to give a detailed description to the patent office as to how his invention his distinct from the others.

Similar provision may be incorporated by the Indian IP system. (http://www.uspto.gov/web/offices/pac/mpep/documents/appxr_1_56.htm)

3. Article 105 of Taiwan patents Act

This article imposes a penalty on the Applicant where the opponent is able to prove that the invention lacks inventive step or that the information was already in the public domain. In such a situation the patent owner has to pay the loss that others have suffered due to exclusive right being granted to the owner.

This may help in restricting the number of inappropriate and forged fillings by imposing some monetary fine on the applicant for investing the precious time and resources of the IPO on something which is already known. The repeated offenders may be blacklisted from the IPO.

Outsourcing of Prior Art Search Work while maintaining certain safeguards so as to ensure the Quality and neutrality of search report generated thereof

Apart from outsourcing the work to CSIR, the work for prior art can be outsourced to big MNC's such as Thomson Reuters, Ernst & Young, SCI Finder etc. who have their own database for patent search. The work done by these organizations shall be checked for quality by students of educational institutes like Rajiv Gandhi Institute of Intellectual Property Rights, IITs as part of their 'internship programme'. The institutes are undoubtedly the premier institutes imparting knowledge in the realm of Intellectual property. The students from both the institutes are Science Graduates, which is the foremost requirement of doing the search related work in the field of Patents. Outsourcing to such Institutes shall suffice two motives. Firstly, the number of pending Patent applications shall be reduced and secondly, the students shall get practical experience, as part of their 'internship programme'.

The work shall be on contractual basis with monetary or incentive basis, purely depending upon the quality of the work. The student finding the error should be given monetary reward or appreciation letter. This shall drive the students to do work vigilantly and the effectively.

Training to be imparted to students from Institutions like TIFAC, MSMEs, FICCI or facilitation centers located in each state or even law firms dealing in IPR matters.

The MNCs shall do the work on pro bono or subsidized rates for the reasons of their brand promotion as working for the IPO. The MNCs shall gain business from the market as they shall be recognized by the Ministry to do the quality check. Grading or ranking to be given to MNCs on the basis of their quality.

In case where, preliminary search has been conducted (before the application is submitted to the IPO), by either of searched for applicant) by either of these companies, the said application should be sent to other company from the side of the IPO for prior art search so as to ensure quality of prior art search is maintained.

Safeguards:

Outsourcing to big MNCs

The IPO can Outsource the work to database providers who have database that can do the prior art work for the IPO on either pro bono basis or at subsidized rates. The IPO may give ranking to the organizations depending upon the quality of their work.

The MNCs will benefit from this in terms that there name shall be reflected on the website of the IPO as the authorized prior art researchers. The potential applicants shall prefer them over some other service provider and they will gain huge amount from that publicity.

Now, to keep a check on the quality of the work done by such MNCs the IPO can ask the one authorized researcher to do random quality check of the other authorized researcher. This shall lead top competition amongst them. Now to maintain their ranking as per the norms of the IPO, the MNCs shall try to give best of the quality and further shall make hard endeavors to find some prior art for applications scrutinized by their counterparts.

Educational Institutes doing the Quality Check of work of MNCs

So as to reduce number of pending applications, provisional norms can be formulated to outsource some of its work of doing the Quality check of work done by MNCs relating to prior art search to Intellectual Property Institutes like - Rajiv Gandhi Institute of Intellectual Property, IIT institutes. The institutes are undoubtedly the premier institutes imparting knowledge in the realm of Intellectual property. The students from both the institutes are Science Graduates which is the foremost requirement of doing the search related work in the field of Patents. Outsourcing to such Institutes shall suffice two motives. Firstly the number of pending Patent applications shall be reduced and secondly the students shall get practical experience, as part of their 'internship programme'.

The work shall be on contractual basis with monetary or incentive basis purely depending on the quality of the work. The student finding the error in the work of MNC should be given monetary reward or appreciation letter, where he is successful to find fault in the work. This shall drive the students to do work vigilantly and the effectively.

Training to be imparted to students from Institutions like TIFAC, MSMEs, FICCI or facilitation centers located in each state or even law firms dealing in IPR matters.

Availability of More IP Offices to enhance its reach

It would be suggested to have additional IP offices. A country like Japan, which is quite smaller in terms of geographical area, has three offices for patent filling and in India we have only five. Considering the number of population and the awareness in the realm of IPR, additional offices should be set up. If infrastructure does not allow having fully fledged offices, at least documents receiving offices should be formed. It is also suggested that, the efficient use of technology be made in order to reduce the errors and improve efficiency. Discounts on govt. fee may be provided to incentivize filing through online systems.

The new offices shall serve the purpose of dialog also, because the applicant has to visit the office as dialogues are held many a times between the applicant and the patent office.

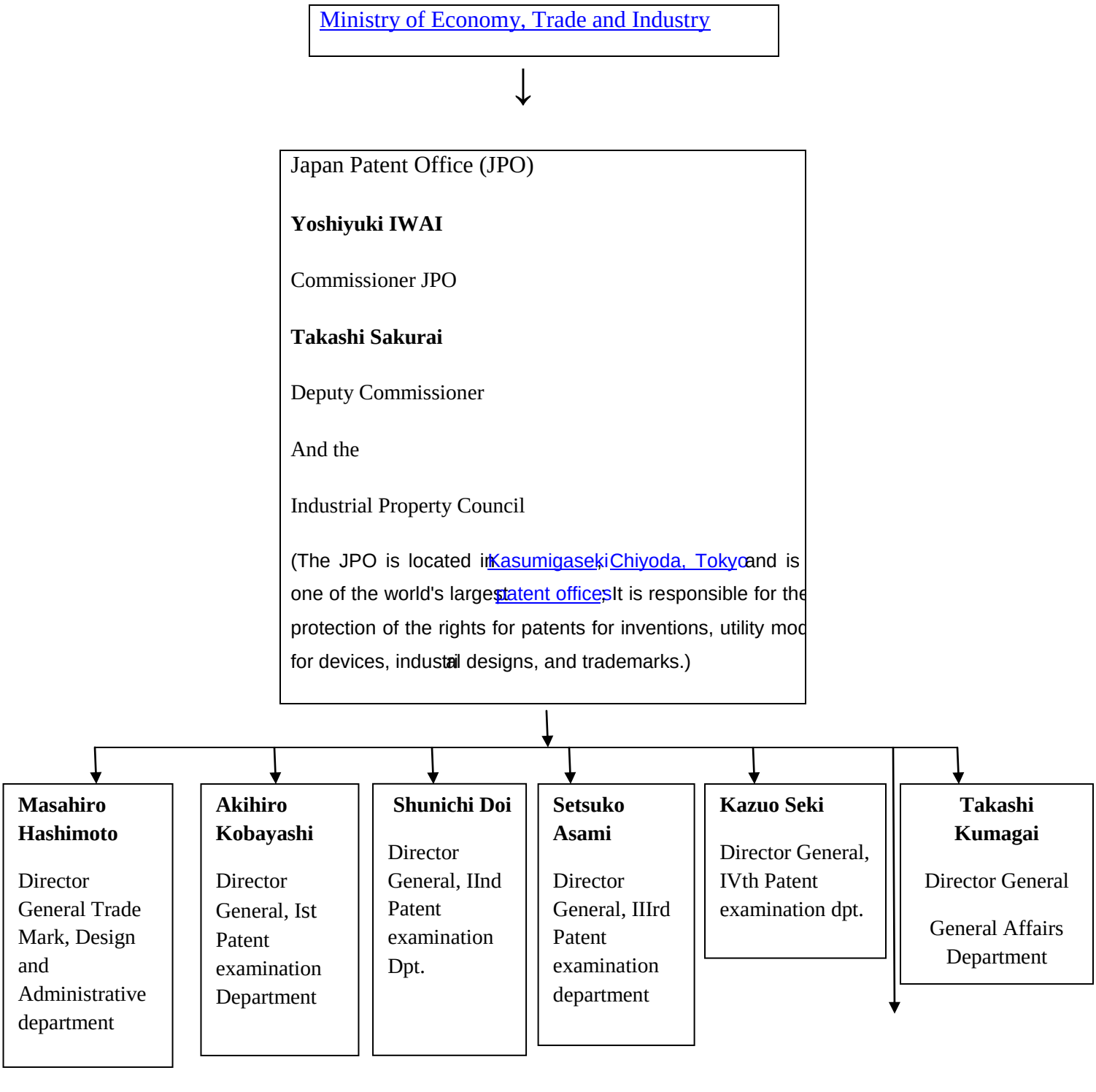
There has to be consistency amongst various patent offices. It should be ensured that consistency has to be maintained in terms of rules and regulations across all Indian Patent Office.

Initiatives like, amendments made in Trademark rules regarding compulsory e-filling should be introduced in patents also.

Annexure I

Details of Administrative set up of International Patent Offices

1. JAPAN



2. AUSTRALIA

Yoshitake KIHARA

Director General

Appeals Department

Department of Innovation, Industry, Science and Research (DIISR)

IP Australia

Mr. Philip Noonan

Director General

Educational qualifications:

Bachelor of Science and LLB

Solicitor and Barrister in Victoria, Australia

(It incorporates the Patent, Designs, Trade Marks and Plant % U H H G H U Offices) L J K W V

Ian Goss

Business Development and Strategy Group

David Johnson

Business and Information Management Solutions Group

Celia Poole

Customer Operations Group

Doug Pereira

Corporate Services Group

Victor Portelli

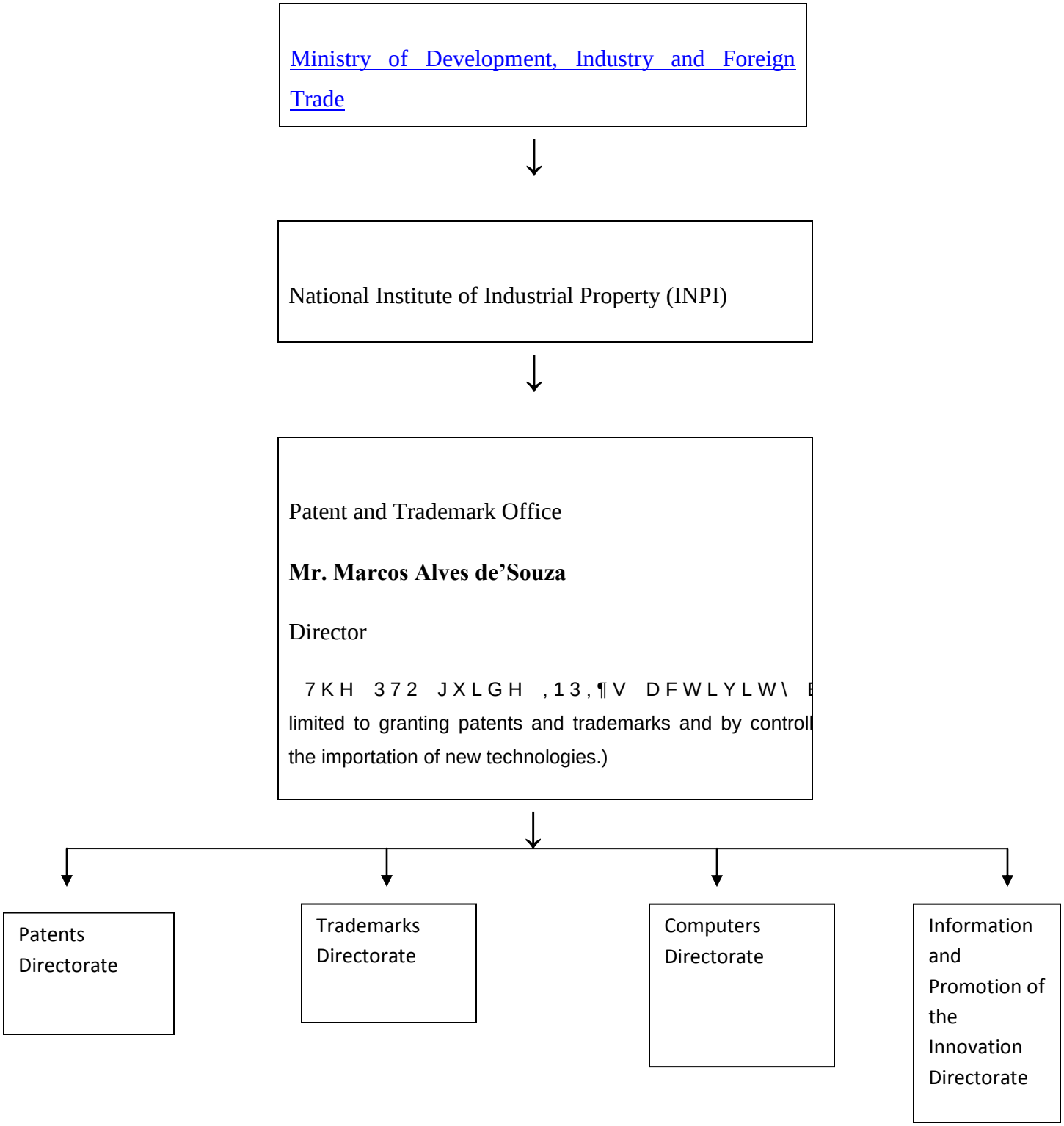
Patent and Plant Breeder's Rights Group

Robyn Foster

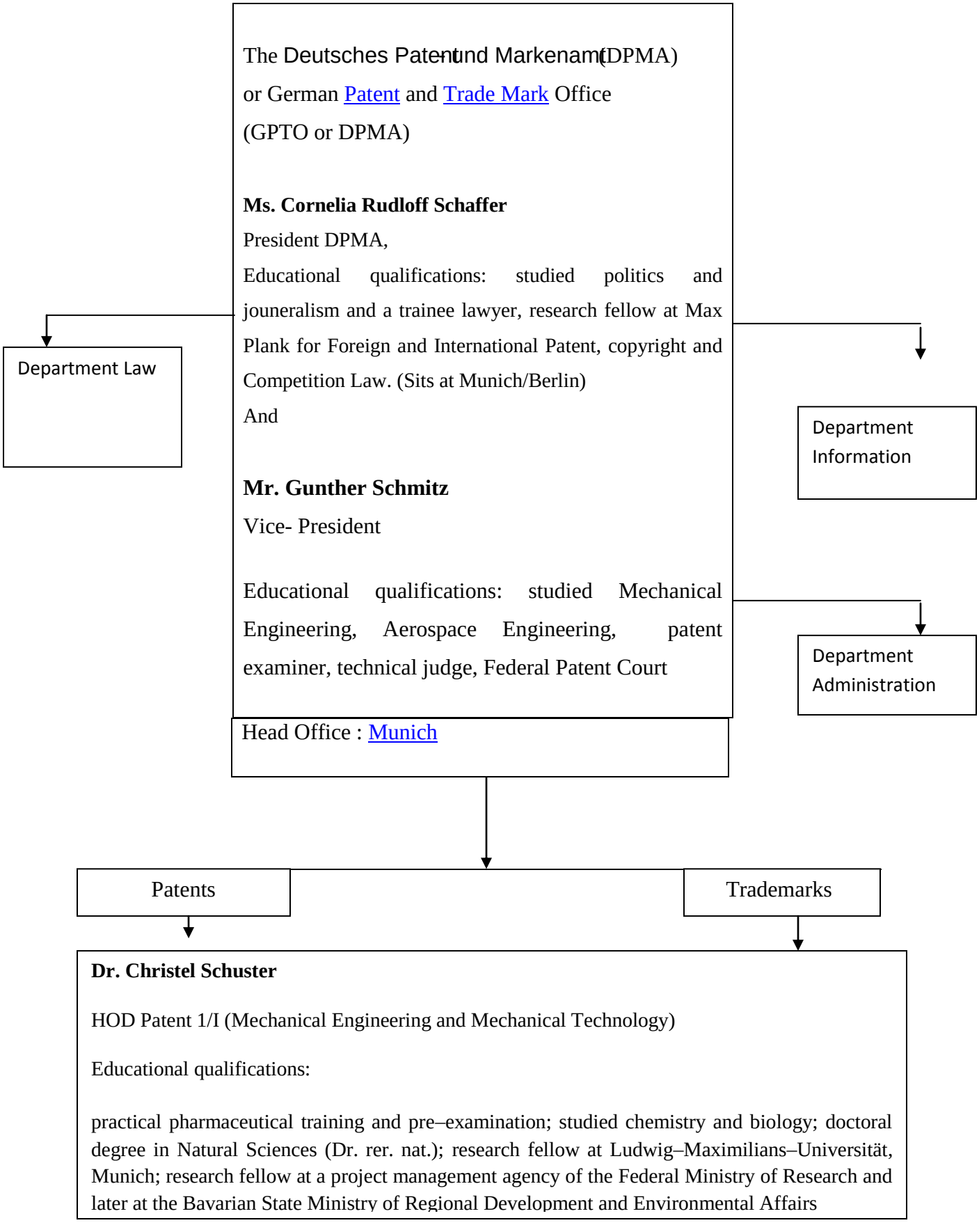
Trade Marks and Designs Group.

3. BRAZIL

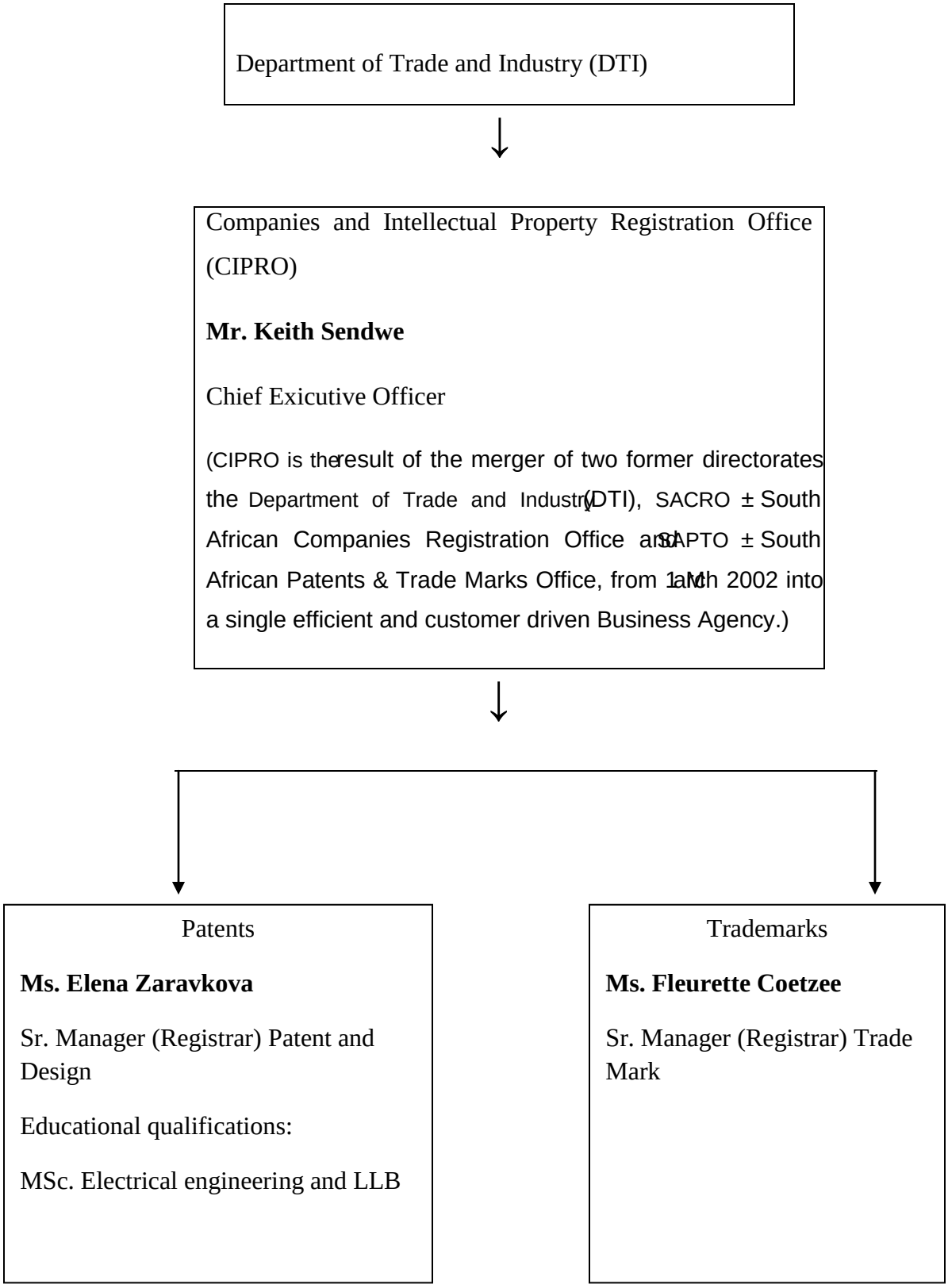
http://www.wipo.int/edocs/mdocs/sme/en/wipo_smes_ge_03/wipo_smes_ge_03_7.pdf



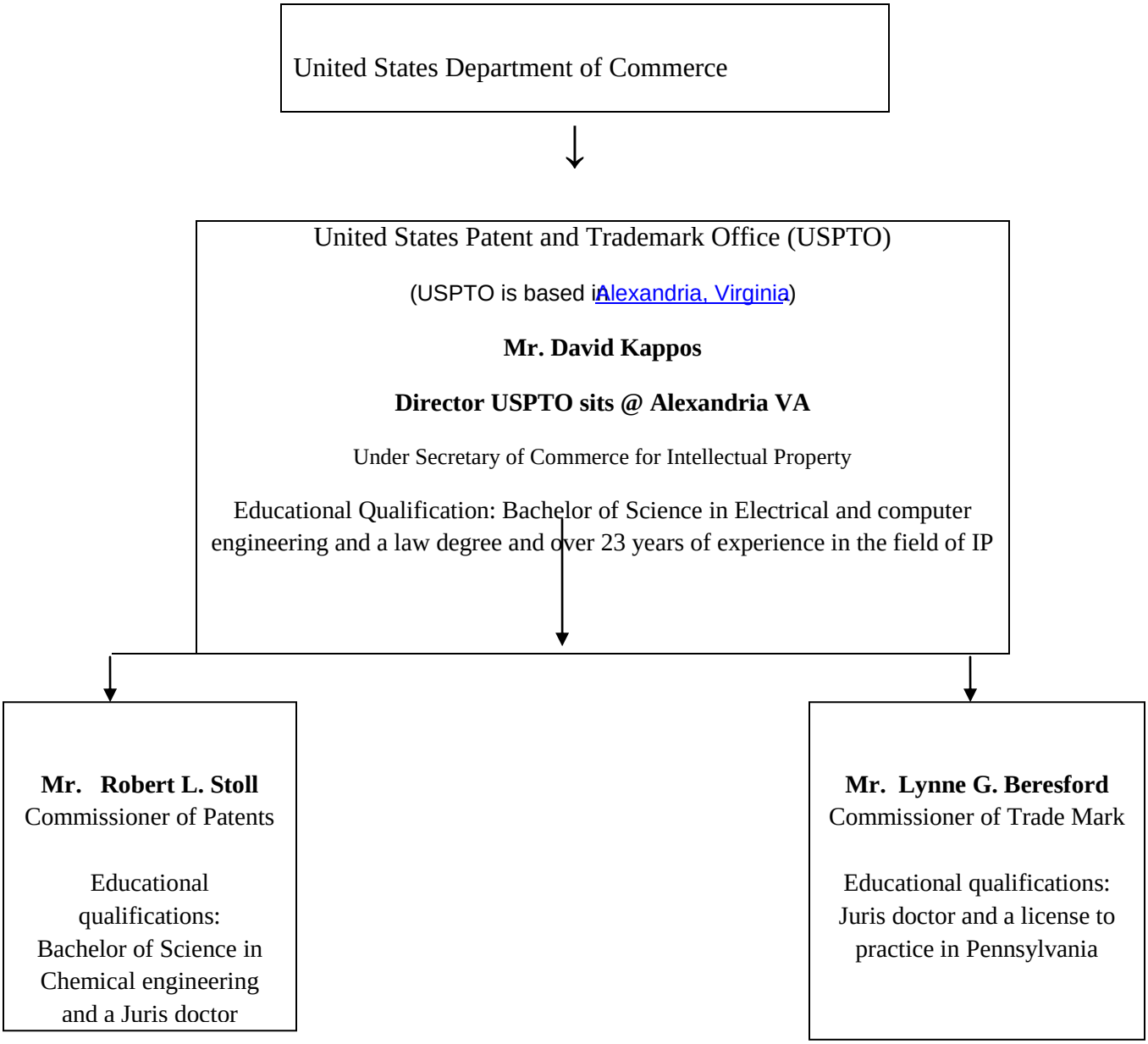
4. GERMANY


The Deutsches Patent und Markenamt (DPMA)
or German Patent and Trade Mark Office
(GPTO or DPMA)
Ms. Cornelia Rudloff Schaffer
President DPMA,
Educational qualifications: studied politics and jouneralism and a trainee lawyer, research fellow at Max Plank for Foreign and International Patent, copyright and Competition Law. (Sits at Munich/Berlin)
And
Mr. Gunther Schmitz
Vice- President
Educational qualifications: studied Mechanical Engineering, Aerospace Engineering, patent examiner, technical judge, Federal Patent Court
Head Office : Munich
Department Law
Department Information
Department Administration
Patents
Trademarks
Dr. Christel Schuster
HOD Patent 1/I (Mechanical Engineering and Mechanical Technology)
Educational qualifications:
practical pharmaceutical training and pre–examination; studied chemistry and biology; doctoral degree in Natural Sciences (Dr. rer. nat.); research fellow at Ludwig–Maximilians–Universität, Munich; research fellow at a project management agency of the Federal Ministry of Research and later at the Bavarian State Ministry of Regional Development and Environmental Affairs

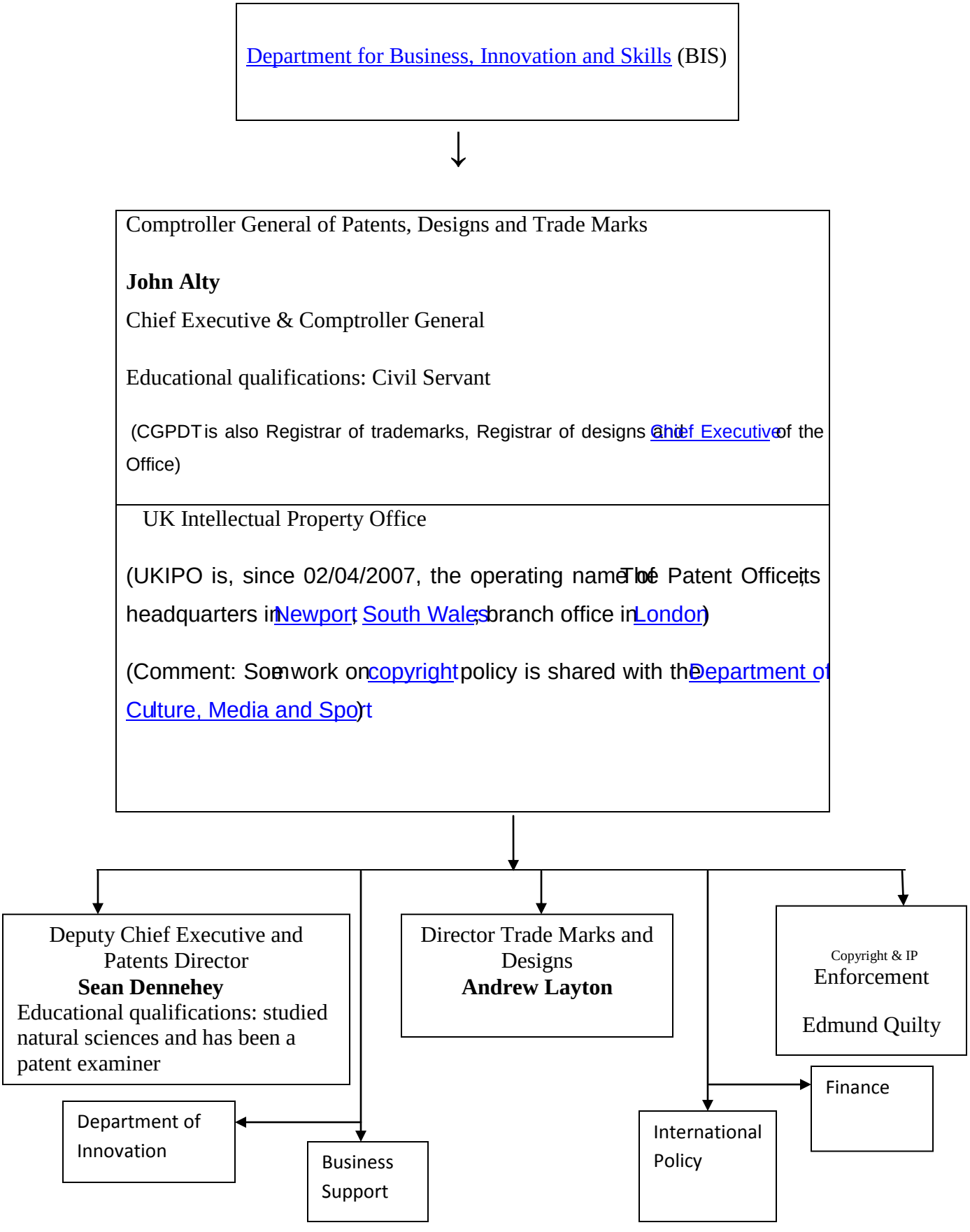
5. SOUTH AFRICA



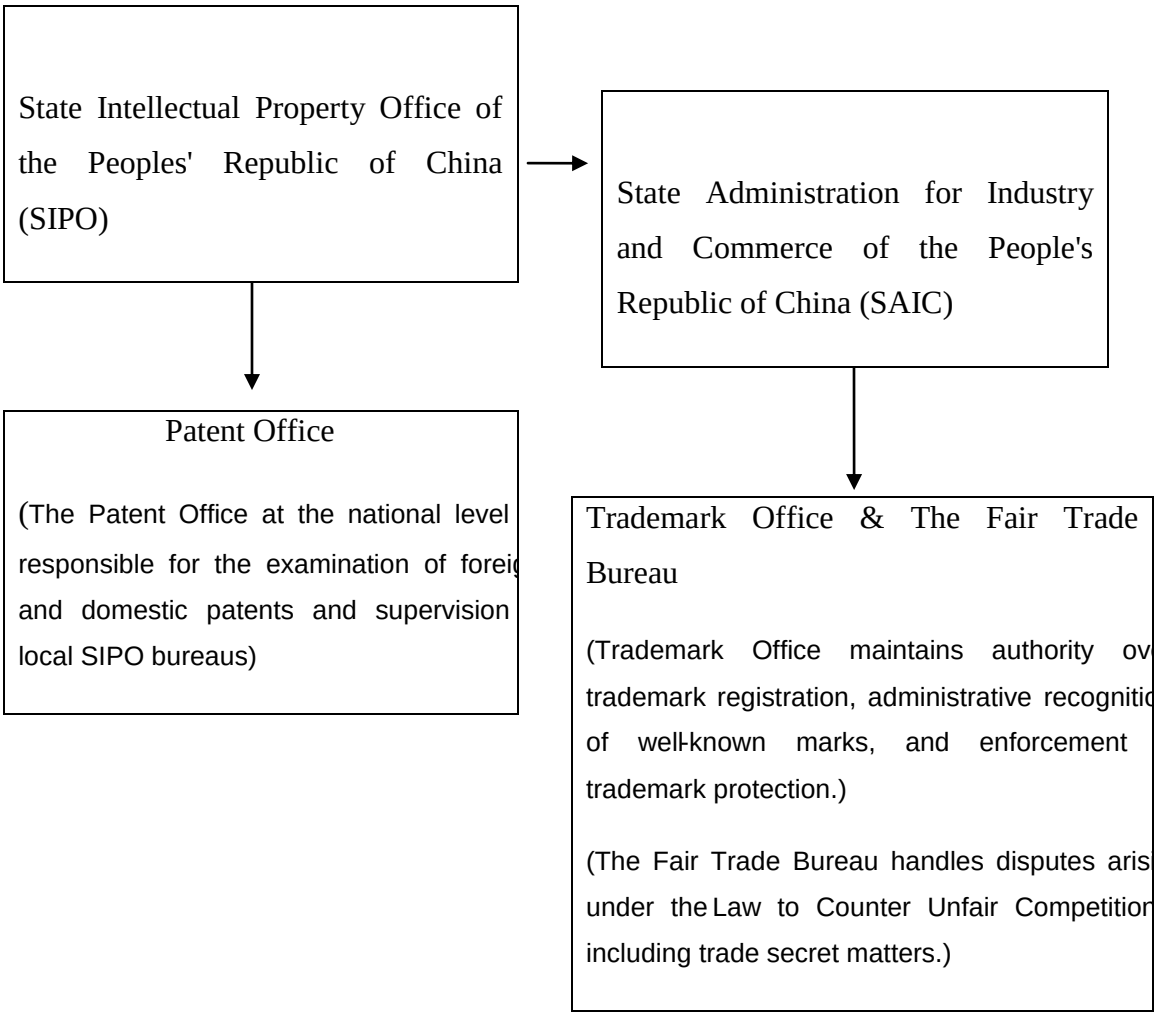
6. UNITED STATES OF AMERICA



7. UNITED KINGDOM



9. **CHINA**


State Intellectual Property Office of the Peoples' Republic of China (SIPO)
State Administration for Industry and Commerce of the People's Republic of China (SAIC)
Patent Office
(The Patent Office at the national level responsible for the examination of foreig and domestic patents and supervision local SIPO bureaus)
Trademark Office & The Fair Trade Bureau
(Trademark Office maintains authority ov trademark registration, administrative recognitic of well-known marks, and enforcement trademark protection.)
(The Fair Trade Bureau handles disputes aris under the Law to Counter Unfair Competitior including trade secret matters.)

10. EUROPEAN UNION[1]