

Highlights of amendments made to Indian Patent Rules, 2016

The Indian Patents Rules, 2003 has been amended by way of Patents (Amendment) Rules, 2016. The amendment comes into effect on May 16, 2016. The current amendment is substantial, and can certainly have an impact on the patent filing and prosecution strategy, among other things. In this article, we have summarized some of the important amendments.

Prior to the amendment, India recognised three types of Applicants, viz., natural persons, [small entity](#) and other than small entity. With the amendment, a fourth type of applicant, “Startup”, is being recognized, and certain benefits are being provided to startups.

An entity will be considered a startup as long as the below listed conditions (non-subjective conditions are listed in this article) are met by the entity.

1. Entity has to be a Private Limited company (as defined in the Companies Act, 2013), or a registered partnership firm registered under section 59 of the Partnership Act, 1932 or a limited liability partnership under the Limited Liability Partnership Act, 2002.
2. Five years should have not lapsed since the date of registration or incorporation of the entity.
3. Turnover in any of the financial year should not be more than INR Twenty Five crores.
4. Entity should not have been formed by splitting up or reconstruction of a business already in existence.

The patent office fees for startup, even though a legal entity, is the same as the fees charged for natural persons (individuals). Hence, startup would pay 60% less in government fee compared to the fee that was applicable prior to the amendment. Approximately, instead of incurring INR 20250 (filing, early publication and ordinary examination) in government fees, a startup will incur a fee of INR 8100.

A startup can also opt for expedited examination instead of ordinary examination. In an ordinary examination process an examiner has to prepare an examination report ordinarily in one month but not exceeding **three months** from the date of reference of the application to him by the Controller. On the other hand, in an expedited examination process, the examiner has to prepare an examination report in one month but not exceeding **two months** from the date of reference of the application to him by the Controller. Hence, it appears that in an expedited examination process the examiner has to prepare the examination report within two months, as opposed to three months taken in the ordinary process. The expediting option will be available for startups for a fee of INR 8000 as opposed to INR 4000, which is charged for ordinary examination. The one month reduction in time may not provide a note worthy relief to startups if the Controller does not refer the



application to the examiner within a short period. The current delays in examination is being enabled by a rule which allows the Controller to **ordinarily** refer the application to the examiner within one month from the date of publication or date of examination request, which ever is later. Hence, the Controller is not **mandated** to refer the application to the examiner within one month. The rules for the expedited examination also does not mandate the time period for referring the application to the examiner. However, in practice if the expedited requests are put in a separate queue instead of the normal examination request queue, then there is a possibility examination reports from the patent office will be issued in substantially less time.

Expedited examination may also be chosen by applicants filing national phase application if they had chosen India as the ISA or IPEA at the PCT stage.

The amendment provides relief to patent practitioners, such as InvnTree, who have client across India and deal with all the four patent offices. Prior to the amendment, hearing (in person discussion with patent examiner) required the patent agent to visit the patent office, thereby making the hearing process expensive and inefficient. The current amendment provides the option of holding hearing via video conferencing. The instant amendment will drastically change the way patent consulting firms function, who may now concentrate on being located close to their client base or where good talent is available, rather than preferring to be located near the patent offices, and having multiple branches. Technology companies who engage with patent consulting firms to address their patenting requirement may also rethink their vendor selection criteria.

One more important amendment is with respect to national phase filing in India. Prior to the amendment, the Indian national phase application was required to be filed as it is at the PCT stage. The issue with such a practice was that in several instances the PCT applications would have more than 10 claims. Since, in India each claim over 10 claims is charged a fee, even though the Applicants wished to reduce the number of claims while filing national phase application in India to reduce the extra claims fee, they could not do so. However, in light of the current amendment, an Applicant can delete claims while filing national phase application in India. Note that, only deletion of claims is allowed, and not addition or amendments of claims. The amended rules state “may delete a claim”, which may be interpreted as only one claim may be deleted. We believe that such a statement may have been drafting error, which will be corrected going forward or the rules will be followed in principle.

Yet another important amendment is with respect to the time period within which the applicant has to put the application in order for grant once the examination report is issued by the patent office. Prior



to the amendment, once the patent office issues an examination report, the applicant had one year to interact (respond to objections) with the patent office and put the application in order for grant. The current amendment has decreased the time period from one year to six months, with an option of a three months extension.

We hope this article helps patent applicants gain better understanding of the various initiatives of the Indian Patent office and thereby benefit by availing them.

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Best regards – Team InvnTree

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