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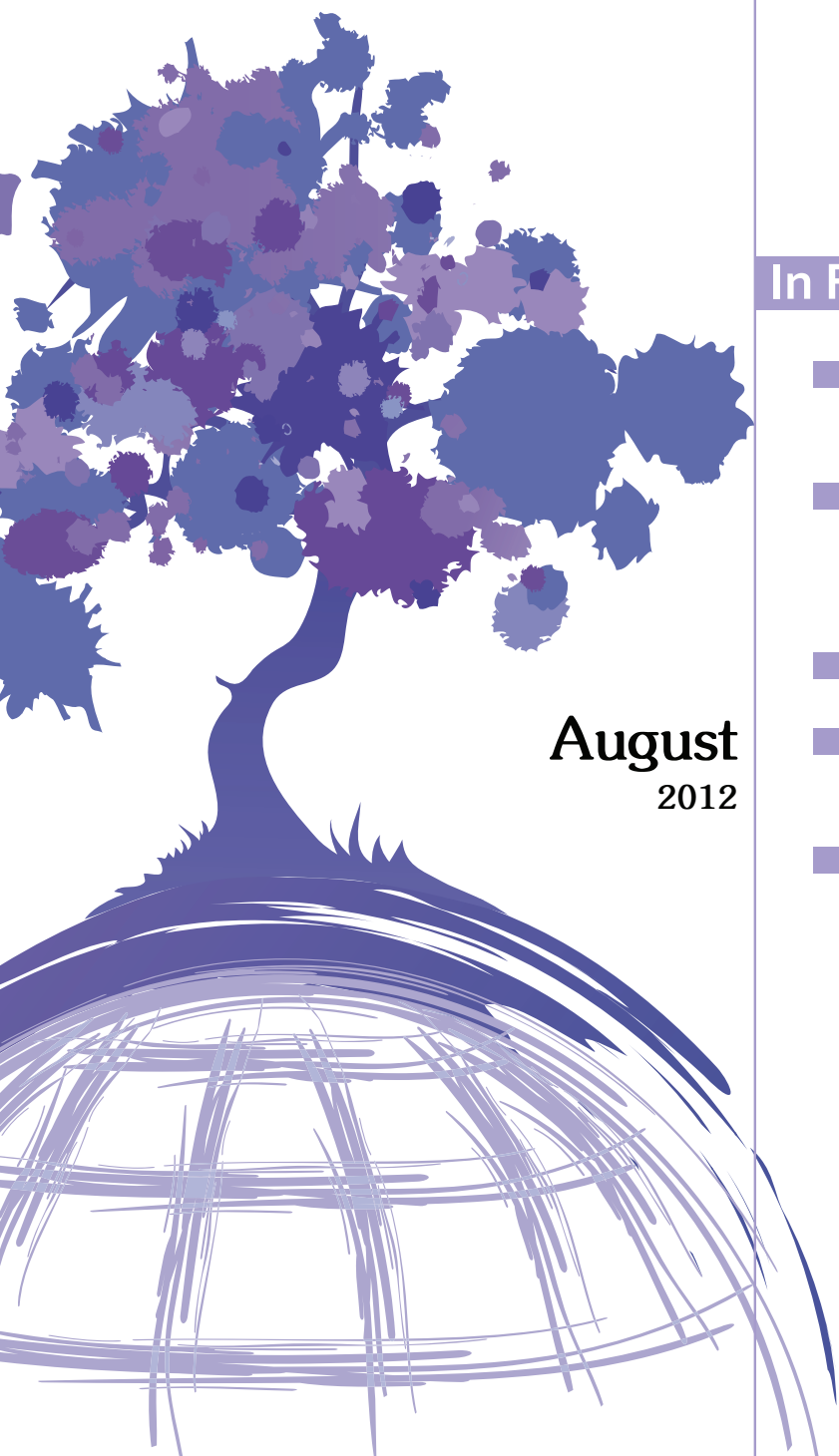
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In Focus

- Pendency of patent applications in India – An analysis
- Patents – Post-grant opposition – Opposition Board's recommendations to be disclosed to parties before hearing
- Australian tobacco packaging law upheld
- Laudatory expressions cannot be registered as trademarks
- Tirupati Laddu retains GI sanctity

AUG 2012

Contents

Article

Pendency of patent applications in India – An analysis 3

News Nuggets 6

Ratio decidendi 7

Article

Pendency of patent applications in India – An analysis

By Joginder Singh

In the backdrop of increased patent filings and relative shortage of patent examiners, the Indian Patent Office (IPO) has been dealing with an ever increasing number of pending patent applications over the years. This has led to considerable delay in processing and grant of patents. The IPO is, in fact, currently processing the examination requests filed in the years 2007 and 2008. This article aims to provide a statistical review of pendency of patents in India and associated issues.

Present situation

In March 2011, 83,686 patent applications¹ were pending for examination in the Indian Patent

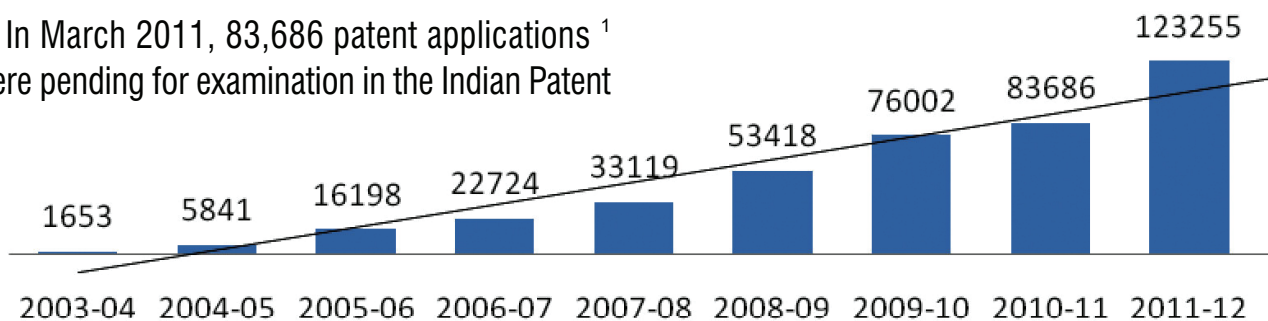


Figure 1: Pendency of patent applications at IPO

Office. By April 2012, this number has increased to 123,255 patent applications.² Of the pending applications, 47,082 are pending in Delhi, 23,857 in Kolkata, 37,901 in Chennai, and 14,415 in Mumbai. Figure 1 illustrates the increase in the number of pending patent applications over the years at the IPO.

Human resources

At the IPO, the patent examination work is divided between Examiners and Controllers. The Examiners, under the guidance of the Controllers, assess the patent applications for compliance of procedural

and substantive requirements of the Patents Act, 1970 and provide a report to the Controller. Based on the report, the Controller issues an examination report and conducts hearing. As per the current structure in the IPO, each Assistant Controller is expected to supervise three Patent Examiners.

However, as per the last Annual Report³ published by the IPO, there were 80 Patent Examiners, 70 Assistant Controllers, 7 Deputy Controllers, 1 Joint Controller, and 2 Senior Joint Controllers in 2010.

Although the designations of the various Controllers differ, they have equal authority in administering the Patents Act. The almost equal number of Examiners and Controllers, instead of the desired ratio of 3:1, was attributed to the exit of a number of Examiners in 2009 and to the promotion of many Examiners as Assistant Controllers, without new recruitment. As a result, there was comparatively lesser number of examinations and grants during 2010 as shown in Figure 2. This led to Controller General issuing a circular directing the Assistant Controllers to conduct examination and clear the backlog.

¹ <http://www.business-standard.com/india/news/83686-patent-applications-pending-for-examination/128877/on>

² http://articles.economictimes.indiatimes.com/2012-05-14/news/31701420_1_patent-examiners-patent-applications-patent-offices

³ IPO Annual Report 2009-10

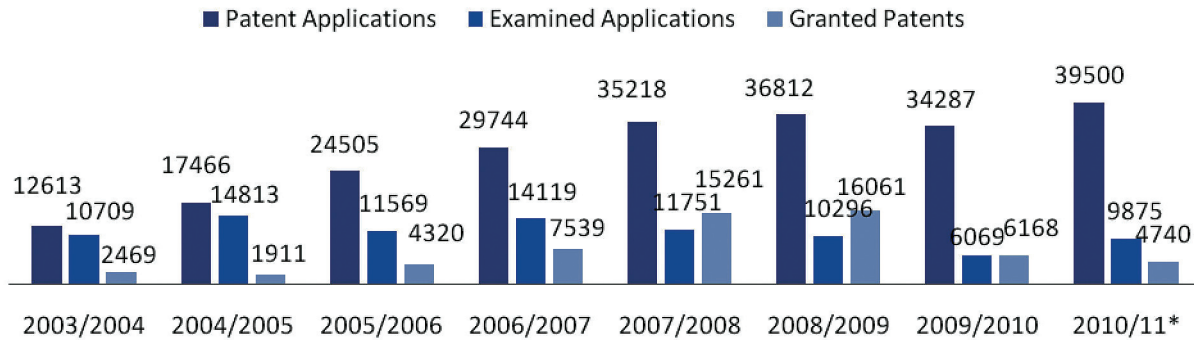


Figure 2: Patent Filings, Examinations, and Grants at IPO

Workload

Presently, an Indian patent examiner disposes around 20 applications⁴ in a month. On the other hand, the same figure is less than 7 for a patent examiner in Europe and 8 in the United States. In China, the number of patent applications disposed by a patent examiner is only 7 in a month. According to a report prepared by the department-related Parliamentary Standing Committee on Commerce, i.e., the 88th Report on Patents and Trademarks presented in October 2008, an Indian patent examiner currently handles 214 applications every year. The corresponding figure in Europe is 90, in the United States it is 97 and in China it is 88. The committee suggested that the norm at 100 patent applications per examiner for a year may be fixed to improve the quality of granted patents.

Planned improvement in IPR administration and infrastructure

The Government of India has taken several initiatives to modernize the IPR administration in the country over the last decade. All planned infrastructure investments in India are generally outlined in five-year plan formulated by the Planning Commission. For improving IPR infrastructure, a project costing INR 1.53 billion was sanctioned in

the 9th and 10th five year plans. Under the 11th five-year plan, a budget of INR 3.20 billion was sanctioned for modernization and re-structuring of IPO.

Further, the 11th five year plan recommended a total of 337 Patent Examiners, 74 Assistant Controllers, 15 Deputy Controllers, 3 Joint Controllers, and 2 Senior Joint Controllers. Accordingly, 257 new Examiners, 4 new Assistant Controllers, 8 new Deputy Controllers, and 2 new Joint Controllers were required. Based on these recommendations, recruitment process was initiated in respect of examiners in early 2011. According to the IPO website⁵, the process of selection of 248 patent examiners has been completed and of these, 135 have joined as on 30th April, 2012.

Is this manpower sufficient?

Assuming that all 248 new examiners have joined, and coupled with the current working strength of 150 patent examiners/Assistant Controllers, the IPO will have a total of 398 Patent Examiners/Assistant Controllers available for clearing the pending as well as present workload. At the suggested norm of 100 patent applications per Examiner per year, 398 Examiners/Assistant Controllers will be able

⁴ <http://www.livemint.com/2010/09/13232813/Indian-IP-examiners-have-world.html>

⁵ Indian Patent Office, News Archive

*Approximations

to clear only 39,800 patent applications, i.e., 83455 patent applications will still be pending. In addition, we can expect more than 40,000 patent applications to be filed in 2012 considering the trends indicated in Figure 2. It means, by the time 39,800 applications are cleared, 40,000 more applications would have been filed. Therefore, at the suggested norm, the backlog is only bound to increase.

However, if the IPO continues with the existing rate of 214 patent applications per examiner per year, which may be unlikely considering that most of them are new to the process, then the IPO may be able to achieve zero backlog in approximately three to four years subject to the filing trend and more appointments in the coming years. But, this may result in compromising with the quality of examination.

Road ahead

The Approach Paper⁶ for the 12th five year plan (2012-17) acknowledges the importance of Intellectual Property Rights and the patent system. The approach paper further acknowledges that the administrative machinery for IPR management must be considerably strengthened and professionalized and the Department of Industrial Policy & Promotion (DIPP) has taken up this task.

It is therefore suggested that even after hiring of 257 new examiners, the IPO needs to at least double the number of Examiners and Controllers to approximately 800 if backlog is desired to be cleared with quality examination. Among other significant changes, Patent Prosecution Highway⁷ (PPH) can be given serious consideration. PPH is a system for certain subject matters or class of applications, for which the treatment under Indian patent law is substantially the same as that under other major patent jurisdictions, such as Europe or Japan or US. Under the PPH system, a patent application whose claims have been determined to

be patentable in the Office of First Filing (OFF) would undergo an accelerated examination in the Office of Second Filing (OSF) with a simple procedure on the basis of bilateral or multilateral office agreements. However, if a subject matter requires an application of specific requirements of Indian patent law, such as Section 3 of the Patents Act, 1970, then the application can be exempt from the PPH system and the Examiners can examine the application afresh. Considering that over 85% of Indian applications are based on convention or PCT applications, such a PPH system could significantly speed up the proceedings at the IPO.

It is further suggested that an efficient work allocation system may be employed at the IPO, wherein patent applications to be examined are distributed to examiners based on their technical expertise, experience, availability, and other relevant factors. Also, the procedural formalities could be checked separately by a different team, thereby freeing the Examiner to check only whether the substantive requirements have been met. The workload can be also shared between the four patent offices.

An improved IT infrastructure can contribute towards increasing the efficiency at the IPO. At present there is substantial reliance on paper work in the IPO. If the necessary documents can be digitized, in conjunction with a good document management system, the IT infrastructure should be able to assist the examiners in processing of applications faster and in a more reliable manner.

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⁶ <http://planningcommission.nic.in/plans/comments/inter.htm>

⁷ http://www.uspto.gov/patents/init_events/pph/index.jsp

NEWS NUGGETS

Tirupati Laddu retains GI sanctity

Tirupati Laddu, an offering to Lord Venkateshwara survived yet another challenge to its Geographical Indications (GI) protection. Last month the GI registry held that the applicant seeking rectification/removal of the GI registration had failed to prove that he was 'a person aggrieved'. The applicant had not proved his interest in the product. The applicant had argued against the GI registration on various grounds including offending religious susceptibilities and that an offering to which sanctity is attached cannot be goods as defined in The Geographical Indications of Goods (Registration and Protection) Act, 1999. Earlier, in 2010 the Madras high Court had dismissed the PIL against the said GI registration on the ground of being non-maintainable since alternate remedy was available under the said Act.

Australian tobacco packaging law upheld

The High Court of Australia in its order dated 15-8-2012 has upheld the constitutional validity of the Tobacco Plain Packaging Act, 2011. The legislation mandates all cigarettes packets and cartons to be uniform or in identical colours with about 25% of the surface being available to display company name, brand name and so on. It also provides for displaying graphic warnings referred to as 'health warnings' on the cigarette packets, below which the brand name and the details can be placed.

Tobacco companies had challenged the law, among others, on grounds that it restricted

the enjoyment of intellectual property rights in trademarks, logos and brand names. The issue was also debated in the TRIPS Council meeting earlier this year. It has been raised at the WTO by Ukraine and others. It remains to be seen how countries, like UK and New Zealand planning to introduce plain-packaging laws answer the question of intellectual property protection.

A pilgrimage through copyright laws

The United States Court of Appeals, First Circuit undertook what it described as a pilgrimage to protect intellectual property rights without involving itself in doctrinal principles to settle a religious property dispute. At issue were ancient texts translated into English, some of which had been hosted on a website by a monk who was formerly with the monastery which claimed copyright. The monk argued that copyright could not exist in translations of ancient religious texts and that he had disseminated such information for educational and non-profit purposes. The court however relied on the certificate of copyright issued by the US copyright office for each religious text to hold that the monastery held copyright in the translated works at issue. It stated that by hosting the works, the monk had infringed these rights. Examining the monk's arguments of 'fair use', the court stated that regardless of financial income earned, the monk had benefitted from being able to provide such works free of cost and earned a standing in his community.

RATIO DECIDENDI

Patents – Post-grant opposition – Opposition Board’s recommendations to be disclosed to parties before hearing

The IPAB in its order dated 3-8-2012 has upheld revocation of patent granted to “method and apparatus for locating inclusions in a diamond” on the grounds of lack of inventive step and anticipation. Observing that making a mosaic of prior arts for ascertaining the inventive step is allowed, the Board relied on prior arts and affirmed the decision of the Asst. Controller as to lack of inventive step in the claimed method and apparatus.

It rejected the argument that disclosure in lecture will not amount to anticipation. According to the Board, disclosure of invention by the inventor even to a single person of public before the priority date of patent destroys the novelty of the invention. It held that the claimed invention was anticipated by a particular lecture of one of the original patentees. Citing another patent as relevant prior disclosure when combined with teachings of prior art, it held that the same would make the method as claimed in the impugned patent obvious to the person skilled in the art.

Rejecting the argument on lack of powers to allow amendments to specification, the IPAB held that it has power to allow amendments in the specification if sought for or otherwise under section 58 instead of revoking the patent. Holding that several elements were not disclosed implicitly in the original specification, the Board held that the appellant had failed to prove that the amendments were otherwise unnecessary. It disallowed amendments except

those relating to the inclusions by way of insertion of prior art references.

The IPAB further held that whenever the Opposition Board makes recommendations, both the patentee and the opponent are entitled to know its contents before they attend the hearing. It was of the opinion that disclosure of recommendations was implicit in the relevant provisions though there is no specific mention in Section 25(4) thereof. The Board also held that Section 58 empowering the Appellate Board or High Court to allow amendment instead of revoking a patent if the same is found invalid, was applicable to Controller also and hence, disclosing the recommendations before hearing may enable the patentee to seek amendment to the claim. [IPAB Order dated 3-8-2012, *Diamcad NV v. Sarin Technologies*].

Laudatory expressions cannot be registered as trademarks

The IPAB has held that laudatory expressions are incapable of functioning as trademark and five years or even 100 years of use cannot make such expressions distinctive. Holding that ‘SUPER DELUX’ in combination is a laudatory expression eulogizing the quality of the products as something as out of the ordinary, the Board held that these are property of all consumers and producers. It held that Section 9(1) of Trade Marks Act being an absolute bar, the impugned mark deserved to be removed on lack of distinctiveness alone.

In the case before it, the applicant had registered ‘DELUX BEARINGS LIMITED’ while the respondent had been using ‘SUPER DELUX’. The Board held

that the competing marks, though registered, are largely descriptive and laudatory; that the nature of the goods is the same; that the class of purchaser are similar; that the mode of purchase of goods for placing of orders overlap and that product confusion will be essentially due to the common feature DELUX. The Board held that Section 11 speaks of likelihood of confusion on the part of the public which includes the likelihood of association with the earlier trade mark and hence, under Section 11(1), there was an absolute bar to the registration of the impugned trade mark.

It was also held that on equitable principle the applicant had no superior claim on expressions like 'DELUX BEARINGS LIMITED' of which they are the registered proprietor and which is the basis to seek cancellation of the impugned trade mark 'SUPER DELUX'. [IPAB Order No. 185/2012 dated 16-7-2012, *Delux Bearings Ltd. v. Bharatbhai Kaushalbhai Patel*].

Supplementary Protection Certificate can be granted for new application of an API marketed already for different application

The Court of Justice of the European Union (CJEU) has held that if a patent protects a therapeutic application of a known active ingredient which has already been marketed as a medicinal product, for some therapeutic indications, placement of a new medicinal product in the market, commercially exploiting a new therapeutic application of the same active ingredient, as protected by the new patent, may enable the latter to obtain Supplementary Protection Certificate (SPC). It was however held that the SPC will cover only the new use of that

product and not the active ingredient.

The Court further clarified that mere existence of an earlier Market Authorisation (MA) obtained for a veterinary medicinal product does not preclude the grant of an SPC for a different application of the same product for which an MA has been granted, provided that the application is within the limits of the protection conferred by the basic patent. In the present case, the appellant had applied for a European Patent in 1992 for melatonin as medicine for insomnia and was granted market authorization in June 2007. SPC was rejected in 2009 as the Patent Office identified authorization granted in 2001 for the same ingredient but for use in sheep for regulating breeding activity. The Patent Office had noted that the patent for said formulation (used in sheep) was held by another company since 1987 till May 2007 and hence MA for the product under SPC was not the first MA relating to melatonin. [*Neurim Pharmaceuticals (1991) Ltd. v. Comptroller-General of Patents – CJEU judgment dated 19-7-2012 in C 130/2011*].

Novelty and uniqueness of design of washing machine – Bom. HC grants relief

The Bombay High Court in its recent order has held that the design of washing machines where the cabinet is rectangular on one side and semi-circular on the other side with jettison panel, has novel and unique object of the designs. The Court disagreed with the argument of the defendant that the product was nothing new or original but an imitation of what was available in the market since 1935, having rectangular cabinets. The contention that the design could not be considered new or original since the

plaintiff himself was having two registered designs having identical features with small variations, was also rejected by the court while it noted that Section 6 of the Designs Act, 2000 itself permits the registered proprietor of the design to make an application for registration of one or more other articles comprised in that class of article.

The Court further held that by imitating the basic shape and configuration of the plaintiff's design and

by merely using some different colour scheme and putting some different lines or having some different ornamentation, the defendant's product was a deceptive imitation of the registered designs of the plaintiff. It was held that there was prima facie case of infringement and passing off and hence, interim relief of injunction was granted. [*Whirpool Of India Ltd. v. Videocon Industries Ltd.* – Bombay High Court judgment dated 25-7-2012 in Suit (LDG) No. 1675 of 2012].

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