

INDIAN PATENT ACT 1970

Objective :

The basic philosophy of the act is to encourage the indigenous industrial growth by securing the working of the patent in India.

The patent system was first introduced in India in 1856. The act of 1856 provided exclusive rights to the patent holder for a period of 14 years.

The Indian patent & design act of 1911 replaced the above act but the main clauses remained the same.

The pre-independence patent act & rules had strangled Indian industries and rendered Indian markets subservient for the British Industries. The Foreign patent holder exploited the needs of Indian Society by importing the medicines & essential items at exorbitant prices.

Post independence in 1947, a need was felt to revamp the laws related to Patents, so as to reduce the stronghold of MNC's and to provide an impetus to local industrial growth. Finally considerable efforts went in formulating the Indian Patent act which was introduced as a bill in 1970, and finally enacted from 20.04.1972.

The Indian patent act 1970, is a product of mature deliberations by two expert committees. Justice Bakshi tek chand and Justice N. Rajgopal Ayyangar committee followed by detailed discussion by both houses of parliament.

And it may be recalled that our patent act was a model on the basis of which, the other developing countries like Argentina, Mexico, Egypt, Chilli, Brazil enacted their patent laws.

Indian patent act 1970 has brought a revolution in Indian industries especially in Pharmaceutical industry. The prices of the medicines decreased dramatically post 1970 which were the highest before the enactment of this act, and today India is the cheapest manufacturing country of pharmaceuticals in the world.

Provisions of Indian Patent Act 1970 :

1. The Indian patent act provides product patent for all inventions except food, medicines, drugs and substances produced by chemical processes. For these only process patents can be registered, because food and health are crucial for well being of the people.

Process patents in these area enable the other competitors to find new, improved, advanced and economical processes for producing the same product. Also it disallows the monopoly.

2. India provides patent protection only for 14 years, the shortest period granted by any country. In fact in case of food, chemicals, pharmaceuticals, and agrochemicals the patent period is only five years. From the date of sealing & seven years from the date of filling, whichever is earlier.

3. Compulsory working of a patent

The act contains provision for compulsory working of a patent. Working of a patent means manufacturing the patented product in India. The patentee cannot hold a patent in

India and import the product from another country, thereby compelling the Indian customer to pay an excessive price.

Besides regulating the prices, this provision assures transfers of technology and helps us to save our precious foreign exchange.

4. Compulsory licensing

In case of nonworking of a patent i.e. if patent holder doesn't commercialize his/her invention, the act provides that after three years of sealing of a patent, any other person can apply for a compulsory licensing on the grounds of a public benefit.

Compulsory license is also issued if it is in public benefit or if the patent is not worked by the manufacturer.

5. Harmony between the Patentee & the Society

The act strikes a harmonious balance between the right of a Patent holder and his obligations to the society that grants him the rights.

6. It recognizes the sovereign rights of the country to exclude certain specific subject matters from patentability.

The act totally excludes atomic energy and methods of agriculture and horticulture from patentability.

Non-patentable inventions under the act :

Inventions contrary to scientific principals, law of morality or injuries to public health, methods for treating human beings, animals, living plants and living organisms etc.

Consequences of the Indian Patent Act 1970 :

- Proliferation in the number of Indian Pharma industries and today the number has reached to around 24,000 registered Pharmaceutical companies in India.
- The turnover of the industry has increased from Rs. 250 crores in 1970 to around 27,000 crores of rupees in the year 2000 with the exports worth of Rs. 7,000 crores.
- Today Indian Pharma industry can manufacture almost all kind of formulations as well as bulk drugs independently.
- Became the cheapest manufacturer of the Pharmaceutical in the world. Indian prices are $1/8^{\text{th}}$ or $1/10^{\text{th}}$ compared to the international prices.
- Fifth largest manufacturer of the pharmaceuticals in the world followed by USA, Europe, Japan & China.
- The market share of MNCs has fallen from 75% in 1971 to around 35% in the Indian Pharma market, while the share of Indian companies has increased from 20% in 1971 to nearly 70%.
- PSUs (public sector units) have almost lost out completely.
- Strong generic industry grew in India with abundant scientific manpower that could successfully reverse engineer the patented drugs and arrive at copy variants easily.



The Patents Act, 1970

19 CHAPTER

The later part of the nineteenth century saw an increase in inventions in the field of art, process, method of manufacture, machinery, apparatuses and other substances by manufacturers who became very much interested that the inventions done by them should not be infringed by any one else by copying them or by adopting the methods used by them. In order to save the interest of the inventors the then British rulers enacted the Indian Patents and Designs Act, 1911. Since then due to substantial changes in the political and economic conditions of the country, it was found desirable to enact a comprehensive law on the subject which would protect interests of both the inventor as well as consumer. The Patent Act, 1970 was therefore passed to amend and consolidate the existing law relating to patents. The Act extends to the whole of India.

Definitions

According to the Patents Act,

Assignee includes the legal representative of a deceased assignee, and references to the assignee of any person include references to the assignee of the legal representative or assignee of that person.

Controller means the Controller General of Patents, Designs and Trade Marks.

Exclusive licence means a licence from a patentee which confers on the licensee, or on the licensee and the persons authorised by him, to the exclusion of other persons (including the patentee), any right in respect of the patented invention, and "exclusive licence" shall be constructed accordingly.

Food means any article of nourishment and includes any substance intended for the use of babies, invalids or convalescents as an article of food or drink.

Invention means any new and useful :

- (i) Art, process, method or manner of manufacture.
- (ii) Machine, apparatus or other article.
- (iii) Substance produced by manufacture.

and includes any new and useful improvement of any of them, and an alleged invention.

Medicine or Drug includes :

- (i) All medicines for internal or external use of human beings or animals.

- (ii) All substances intended to be used for or in the diagnosis, treatment, mitigation or prevention of diseases in human beings or animals.
- (iii) All substances intended to be used for or in the maintenance of public health, or the prevention or control of any epidemic disease among human beings or animals.
- (iv) Insecticides, germicides, fungicides, weedicides and all other substances intended to be used for the protection or preservation of plants.
- (v) All chemical substances which are ordinarily used as intermediates in the preparation or manufacture of any of the medicines or substances above referred to.

Patent means a patent granted under this Act.

Patent agent means a person for the time being registered under this Act as a patent agent.

Patented article and **Patented process** means respectively an article or process in respect of which a patent is in force.

Patentee means the person for the time being entered on the register as the grantee or the proprietor of the patent;

Inventions Not Patentable

The following are not inventions within the meaning of this Act and hence are not patentable :

- (i) An invention which is frivolous or which claims anything obviously contrary to well established natural laws.
- (ii) An invention the primary or intended use of which would be contrary to laws or morality or injurious to public health.
- (iii) The mere discovery of a scientific principle or the formulation of an abstract theory.
- (iv) The mere discovery of any new property or new use for a known substance or of the mere use of known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant.
- (v) A substance obtained by a mere admixture resulting only in the aggregation of the properties of the components thereof or a process for producing such substance.
- (vi) The mere arrangement or rearrangement or duplication of known devices each functioning independently of one another in a known way.
- (vii) A method or process of testing applicable during the process of manufacture for rendering the machine, apparatus or other equipment more efficient or for the improvement or restoration of the existing machine, apparatus or other equipment or for the improvement or control of manufacture.
- (viii) A method of agriculture or horticulture.
- (ix) Any process for the medicinal, surgical, curative, prophylactic or other treatment of human beings or any process for a similar treatment of animals or plants to render them free of disease or to increase their economic value or that of their products.

No patent shall be granted in respect of any invention relating to atomic energy falling under the Atomic Energy Act, 1962.

Inventions where only methods or processes of manufacture patentable

1. In the case of inventions :

- (i) claiming substances intended for use, or capable of being used, as food or as medicine or as drug, or
- (ii) relating to substances prepared or produced by chemical processes (including alloys, optical glass, semi-conductors and inter-metallic compounds).

No patent shall be granted in respect of claims for the substances themselves, but for the claims for the methods or processes of manufacture shall be patentable.

2. Notwithstanding anything contained in sub-section (1) above, a claim for patent of an invention for a substance itself intended for use, or capable of being used, as medicine or drug may be made and shall be dealt in the manner as provided by the Patents (Amendment) Act, 1999.

Types of Patents

Following types of patents are granted under the Act :

- (i) An ordinary patent
- (ii) A patent of addition for improvement in or modification of an invention for which a patent has already been applied for or granted,
- (iii) A patent granted in respect of a convention application filled under section 135 of the Act.
- (iv) A product patent for a medicine or drug as provided by the Patents (Amendment) Act, 1999.

Procedure for getting a Patent

An application for an ordinary patent including that for a product patent may be made by the person claiming to be the first or true inventor, his legal representative, or his assignee, either alone or jointly with any other person. An application for a patent of addition may be made only by the applicant for original patent to which it is an addition, if the application for the original patent is pending, or by the registered proprietor of such original patent if the patent has already been granted. A convention application may be made by any person who has made the application for patent in respect of that invention in a convention country, or by this assignee or his legal representative.

Every application for a patent should be for one invention only and should be made in the prescribed form and filed in the Patent Office (Head Office at Calcutta and Branch Offices at Chennai, Mumbai and Delhi). If the application is made by virtue of an assignment, then the proof of the right to make an application should be furnished. It must be stated in the application that the applicant is in possession of the invention and the name of the owner claiming to be the true and first inventor must also be stated.

Every application must be accompanied by a provisional or a complete specification. A provisional specification is a document in a prescribed form containing a description of the essential features of the invention. A complete specification is a document drawn in a prescribed form and contains the following :

- (i) A full description of the invention and its operation or use and the method of performance.
- (ii) Disclosure of the best method of performing the invention known to the applicant and for which he is entitled to claim protection.
- (iii) A statement of claim or claims defining the scope of the invention for which protection is sought.

Every specification, whether provisional or complete shall describe the invention and begin with a title sufficiently indicating the subject-matter to which the invention relates. Where an application is accompanied by a provisional specification, a complete specification must be filed within 12 months from the date of filing of the application.

On receiving the application for a patent along with complete specification, the Controller shall refer it to an examiner for making a report to him in respect of :

- (i) Whether the application and specification are in accordance with the requirements of this Act and of any rules made thereunder.
- (ii) Whether there is any lawful ground of objection to the grant of patent under the Act in pursuance of the application.
- (iii) The result of investigation made by him regarding anticipation of the invention by virtue of a previous publication or prior claim.
- (iv) Any other matter which may be prescribed.

The examiner to whom the application and specification relating thereto has been referred to should ordinarily make the report to the Controller within a period of eighteen months from the date of such reference. If the report is adverse to the applicant or requires any amendment of application, the Controller shall communicate the gist of the objections to the applicant and give him an opportunity of being heard. The Controller is also empowered to refuse to proceed with the application or require the application, specification or drawings to be amended to his satisfaction.

On the acceptance of the complete specification, the Controller shall notify the applicant and advertise in the Official Gazette the fact that the specification has been accepted and thereupon the application and specification with the drawings, if any shall be open to public inspection. On and from the date of advertisement of the acceptance of a complete specification till the date of sealing of a patent, the applicant shall have the like privileges and rights as if the patent for the invention had been sealed on the date of advertisement of acceptance of the complete specification. However, the applicant shall not be entitled to institute any proceedings for infringement until the patent has been sealed.

Opposition to Grant of Patent

Any person may oppose the grant of patent within a period of four months from the date of advertisement of the acceptance, on any of the following grounds :

- (i) That the invention or part thereof has been obtained by the applicant wrongfully from him or from a person under or through whom he claims.
- (ii) That the invention in question has been published before the priority date of the claim :
 - (a) In any specification filed in pursuance of an application for a patent made in India on or after the 1st January, 1912.
 - (b) In India or elsewhere, in any other document.
- (iii) That the invention so far as claimed in any claim of the complete specification is claimed in a claim of a complete specification published on or after the priority date of the applicant's claim and filed in pursuance of an application for a patent in India, being a claim of which the priority date is earlier than that of the applicants claim.
- (iv) That the invention in question was publicly known or used in India before the priority date of that claim.
- (v) That the invention in question is obvious and clearly does not involve any inventive step.
- (vi) That the subject of any claim of the complete specification is not an invention within the meaning of this Act or is not patentable under this Act.
- (vii) That the complete specification does not sufficiently and clearly describe the invention or the method by which it is to be performed.
- (viii) That the applicant has failed to disclose sufficient information to the controller or has furnished the information which in any material particular was false to his knowledge.
- (ix) That in case of a convention application, the application was not made within twelve months from the date of first application for protection of the invention made in a convention country by the applicant or a person from whom he derives title.

On receiving any such notice of opposition, the Controller shall notify the applicant and give him and the opponent an opportunity to be heard before deciding the case. If at any time after the acceptance of the complete specification and before the grant of a patent it comes to the notice of the Controller that the invention, so far as claimed in any claim of the complete specification has been published before the priority date of the claim :

- (i) In any specification filed in pursuance of an application for patent made in India on or after 1st January 1912.
- (ii) In any other document in India or elsewhere.

The Controller may refuse to grant the patent unless the complete specification is amended to his satisfaction within the time as may be prescribed.

If a person claims to be the inventor of an invention or a substantial part of it, in respect of which an application for the grant of a patent is pending, the Controller may permit his name to be mentioned

as an inventor in the patent granted in pursuance of the application. However, the mention of any person as inventor under this section shall not confer or derogate from any rights under the patent.

Once a patent is granted, the Controller shall cause it to be sealed with the seal of the patent office and the date of sealing shall be entered in the register. Date of patent is the date on which the complete specification is filed. In case of death of the applicant whose patent has been sealed or in case of a body corporate which ceases to exist before the patent is sealed, the Controller may suitably amend the patent.

Conditions

Grant of patent is subject to the following conditions :

- (i) Any machine, apparatus or other article in respect of which the patent is granted or any article made by using a process in respect of which the patent is granted may be imported or made by on behalf of the Government for its own use.
- (ii) Any process in respect of which the patent is granted may be used by or on behalf of the Government for its own use.
- (iii) Any machine, apparatus or other article in respect of which a patent is granted or any article made by the use of the process in respect of which a patent is granted, may be made or used, by any person for the purpose merely of experiment or research including the imparting of instructions to pupils.
- (iv) In the case of a patent in respect of any medicine or drug, the medicine or drug may be imported by the Government for the purpose merely of its own use or for distribution in any dispensary, hospital or other institution maintained by or on behalf of the Government or any other dispensary, hospital or other medical institution which the central Government may, having regard to the public service that such dispensary, hospital or medical institution imparts, specify in this behalf.

Secrecy of Certain Inventions

If, in respect of an application for a patent, it appears to the Controller that the invention is relevant to defence purposes, he may give directions for prohibiting or restricting the publications. Such directions shall be reconsidered by the Central Government within 9 months from the date of issue and thereafter at intervals not exceeding 12 months and if the publication of the invention is considered to be no longer prejudicial to the defence of India, it shall notify the Controller accordingly and then the Controller shall revoke previous directions.

Rights of Patentees

- (i) A patent granted before the commencement of this Act confers on the Patentee the exclusive right to make, use, exercise, sell or distribute the invention in India.

(ii) A patent granted after the commencement of this Act confers upon the patentee :

- (a) Where the patent is for an article or substance, the exclusive right to make, use, exercise, sell or distribute such article or substance in India.
- (b) Where a patent is for a method or process of manufacturing an article or substance, the exclusive right to use or exercise the method or process in India.

Patent rights are not infringed when used on foreign vessels etc., temporarily or accidentally in India.

Rights of Co-owners of Patents

Each of the co-owners shall be entitled, unless an agreement to the contrary is in force, to equal rights on the patent. If two or more persons are registered as grantee or proprietor of a patent, a licence under the patent shall not be granted and a share in the patent shall not be assigned by one of such persons except with the consent of the other person(s). Where a patented article is sold by one or two or more persons registered as grantee or proprietor of a patent, the purchaser shall be entitled to deal with the article in the same manner as if the article has been sold by a sole patentee. The rules of law applicable to the ownership and the mutual rights or obligations of trustees or legal representatives of a deceased person or their rights or obligations as such, are not affected.

Patents of Addition

Where an application is made for a patent in respect of any improvement in or modification of "main invention" and the applicant also applies for that invention or is the patentee in respect thereof, the Controller may, on the request of the applicant, grant the patent for the improvement or modification (Patent of addition). At the request of the patentee, the controller may revoke the patent for the improvement or modification and grant to the patentee a patent of addition in respect thereof, bearing the same date as the date of patent so revoked.

A patent shall not be granted as a patent of addition unless the date of filing of the complete specification was the same as or later than the date of filing of the complete specification in respect of the main invention. A patent of addition shall not be sealed before the sealing of the patent for the main invention; and if the period for making a request for the sealing of a patent for main invention has expired, the request for the sealing of the patent may be made at any time within the prescribed period.

Term of Patent

The term of every patent in respect of an invention claiming the method or process of manufacture of a substance, where the substance is intended for use, or is capable of being used, as food or as a medicine or drug shall be five years from the date of sealing of the patent, or seven years from the date of patent whichever is shorter and in respect of any other invention, shall be fourteen years from the date of the patent.

The term for a patent of addition shall be equal to that of the patent for the main invention or so much thereof as has not expired.

Restoration of Lapsed Patents

Where a patent has ceased to have effect due to failure to pay any renewal fee within the prescribed period, an application for the restoration of the patent can be made with the leave of the Controller within one year from the date on which the patent ceased to have effect. If the Controller is *prima facie* satisfied that the failure to pay the renewal fee was unintentional and that there has been no undue delay in making of the application, he shall advertise the application in the prescribed manner and after the notice of opposition, if any, is decided in favour of applicant, the Controller shall, upon payment of the total amount due, restore the patent and any patent of addition which has lapsed. No suit or other proceeding shall be commenced or prosecuted in respect of an infringement of a patent committed between the date on which the patent ceased to have effect and the date of advertisement of the application for restoration of the patent.

Surrender of Patents

A patentee may at any time, offer to surrender his patent by giving notice in the prescribed manner to the Controller. The Controller shall then advertise the offer of surrender in the prescribed manner and also notify every person whose name appears in the register as having an interest in the patent. After hearing the patentee and any opponent, if the Controller is satisfied that the patent may be surrendered, he may accept the offer and by order, revoke the Patent.

Revocation of Patents

A patent may be revoked by the High Court on any of the following grounds :

- (i) That the invention, so far as claimed in any claim of the complete specification, was claimed in a valid claim of earlier priority date contained in the complete specification of another patent granted in India.
- (ii) That the patent was granted on the application of a person not entitled under the provisions of this Act to apply therefor.
- (iii) That the patent was granted wrongfully in contravention of the rights of the petitioner or any person under or through whom he claims.
- (iv) That the subject of any claim of the complete specification is :
 - (a) not an invention within the meaning of the Act;
 - (b) is not new;
 - (c) is obvious or does not involve any inventive step;
 - (d) is not useful;
 - (e) is not patentable under this Act;
- (v) That the complete specification does not sufficiently and fairly describe the invention and the method by which it is to be performed.

- (vi) That the scope of any claim of the complete specification is not sufficiently and clearly defined or that any claim of the complete specification is not fairly based on the matter disclosed in the specification.
- (vii) That the applicant has failed to disclose to the controller the information required by him or has furnished information which in any material particular was false to his knowledge.
- (viii) That the patent was obtained on a false suggestion or representation.
- (ix) That the applicant contravened any direction for secrecy.
- (x) That leave to amend complete specification was obtained by fraud.

A patent may be revoked by the High Court on the petition of the Central Government, if the High Court is satisfied that the patentee has, without reasonable cause, failed to comply with the request of the Central Government to make use or exercise the patented invention for the purposes of Government upon reasonable terms.

Where the Central Government is of opinion that a patent or the mode in which it is exercised is mischievous to the State or generally prejudicial to the public, it may, after giving the patentee an opportunity to be heard, make a declaration to that effect in the Official Gazette and thereupon the patent shall be deemed to be revoked.

Register of Patents

A register of patents is kept at the patent office which contains :

- (i) The names and addresses of grantees of patents.
- (ii) Notifications of assignments and of transmissions of patents, of licences under patents, and of amendments, extensions, and revocation of patents.
- (iii) Particulars of such other matters affecting the validity or proprietorship of patents as may be prescribed.

The register is kept under the control and management of the Controller. At all convenient times, the register shall be open to inspection by the public and certified copies duly sealed, of any entry in register, shall be given to any person on payment of the prescribed fee. The register shall be *prima facie* evidence of any matters required or authorised by or under this Act to be entered therein.

Working of Patents and Compulsory Licensing

The general principle in granting patents is to encourage inventions and to secure that the inventions are worked in India on a commercial scale and to the fullest extent that is reasonably practicable without undue delay and they are not granted merely to enable patentees to enjoy a monopoly for the importation of the patented article.

At any time after the expiration of three years from the date of the sealing of a patent, any person interested may make an application to the Controller alleging that the reasonable requirements of the public with respect to the patented invention have not been satisfied or that the patented invention is not available to the public at a reasonable price and praying for the grant of a compulsory licence to

work the patented invention.

The Controller, if satisfied that the reasonable requirements of the public with respect to patented invention have not been satisfied or that the patented invention is not available to the public at a reasonable price, may order the patentee to grant a licence upon such terms as he may deem fit.

In determining whether or not to make an order for compulsory licence, the Controller shall take into account :

- (i) The nature of the invention, the time which has elapsed since the sealing of the patent and the measures already taken by the patentee or any licensee to make full use of the invention.
- (ii) The ability of the applicant to work the invention to the public advantage.
- (iii) The capacity of the applicant to undertake the risk in providing capital and working the invention, if the application were granted.

Revocation of Patents by the Controller for non-working

The Central Government or any person interested may, after the expiration of two years from the date of the order granting the first-compulsory licence, apply to the Controller for an order revoking the patent on the ground that the reasonable requirements of the public with respect to the patented invention have not been satisfied or that the patented invention is not available to the public at a reasonable price.

The Controller, if satisfied that the reasonable requirements of the public with respect to the patented invention have not been satisfied or that the patented invention is not available to the public at a reasonable price, may make an order revoking the patent.

Use of Inventions for Purpose of Government and Acquisition of Inventions by Central Government

At any time after an application for a patent has been filed at the patent office or a patent has been granted, the Central Government and any person authorised in writing by it, may use the invention for the purpose of Government in accordance with the provisions of this Chapter.

Moreover, if the Central Government is satisfied that it is necessary to acquire a patent from the applicant or the patentee for a public purpose, publish a notification to that effect in the Official Gazette, and thereupon the invention or patent and all rights in respect of the invention or patent shall, by force of this section, stand transferred to and be vested in the Central Government. The Central Government shall pay to the applicant or as the case may be, the patentee and other persons appearing on the register as having an interest in the patent such compensation as may be agreed upon between the Central Government and the applicant, or the patentee and other persons.

International Applications Under Patent Co-operation Treaty

In this Chapter, unless the context otherwise requires, *Treaty* or *PCT* means the Patent Co-operation Treaty done at Washington on the 19th June, 1970 as amended and modified from time to time.

Appropriate office in relation to International Applications

The Head Office of the Patent Office (hereinafter referred to as Patent Office) shall function as receiving office, designated office and elected office for the purposes of international applications filed under the Treaty.

An international application shall be :

- (i) filed in and processed by the Patent Office as a receiving office,
- (ii) processed by the Patent Office as a designated office and as elected office, in accordance with the provisions of this Chapter, the Treaty and the Regulations established under the PCT.

International Applications filed with Patent Office as Receiving Office

- (i) An international application shall be filed with the Patent Office in triplicate, either in English or in Hindi language.
- (ii) The fees payable in respect of an international application filed with the Patent Office shall be, in addition to the fees as specified in the Regulations under the Treaty, the fees as specified in the First Schedule.
- (iii) Where an international application filed with the Patent Office has not been filed in triplicate and the applicant desires that the Patent Office should prepare the additional copies required, the fee for making such copies shall be paid by the applicant.
- (iv) On receipt of a request from the application and on payment of the prescribed fee by him, the Patent Office shall prepare a certified copy of the priority document and transmit the same to the International Bureau for the purpose of an international application files with the Patent Office with an intimation to the applicant.

International Applications designating or designating and electing India

- (i) An international application designating India shall be treated as an application for patent under the Act.
- (ii) For the purpose of an international application designating India, the title description, drawings and claims filed in international application shall be taken as the complete specification for the purpose of the Act.
- (iii) The filing date of an application for patent and its complete specification processed by the Patent Office as designated office shall be the international filing date accorded under the Treaty.
- (iv) The Patent Office shall not commence processing of an international application designating India before the expiration of the time limit prescribed except when the applicant complies with the specified requirements and files at the Patent Office an express request for early commencement of such processing.
- (v) An applicant in respect of an international application designating India, shall, before the time limit prescribed :