

30/11/2011

Dear Sir / Madam,

Ipca Laboratories Limited takes this opportunity to appreciate Department of Industrial policy and Promotion in respect of seeking comments regarding the discussion paper on “Restructuring the IP Offices”.

Summary of our suggestions

- *CGPDTM should generate its own revenue to run the IP office to avoid dependency on government funding. For this the CGPDTM should be given financial and administrative autonomy.*
- *For smooth running as well as fast clearances of applications a large number of supervisors / examiners need to be recruited.*
- *It may not be easy to get qualified people to support IPO activity and therefore a university / college should be started to produce qualified work force.*
- *A training centre should be started to train people at entry level as well as on routine basis to upgrade their knowledge / skills at par with the other patent offices of the world.*
- *Training is also needed for technology up gradation / implementation to improve the speed of prosecution / processing of applications.*
- *Complete and quick transformation of all IP documents to soft copies needs to be addressed.*

The detailed representation on section VIII -- “ISSUES FOR CONSIDERATION” is provided below in the form of ‘Annexure I’ and our answers / suggestions are marked in *red*.

ANNEXURE I

VIII ISSUES FOR CONSIDERATION:

34. The following issues are for consideration:

1. Given the radically different skill requirements of trade mark and patent office staff, the operational difficulties and the present challenges being faced by the O/o CGPDTM, is it desirable to establish an independent office for the Trade Marks and GI registry?

No. It may not be desirable to set up two independent offices for patents and “trademark + GI registry” which is unlikely provide a solution to the problems currently faced with.

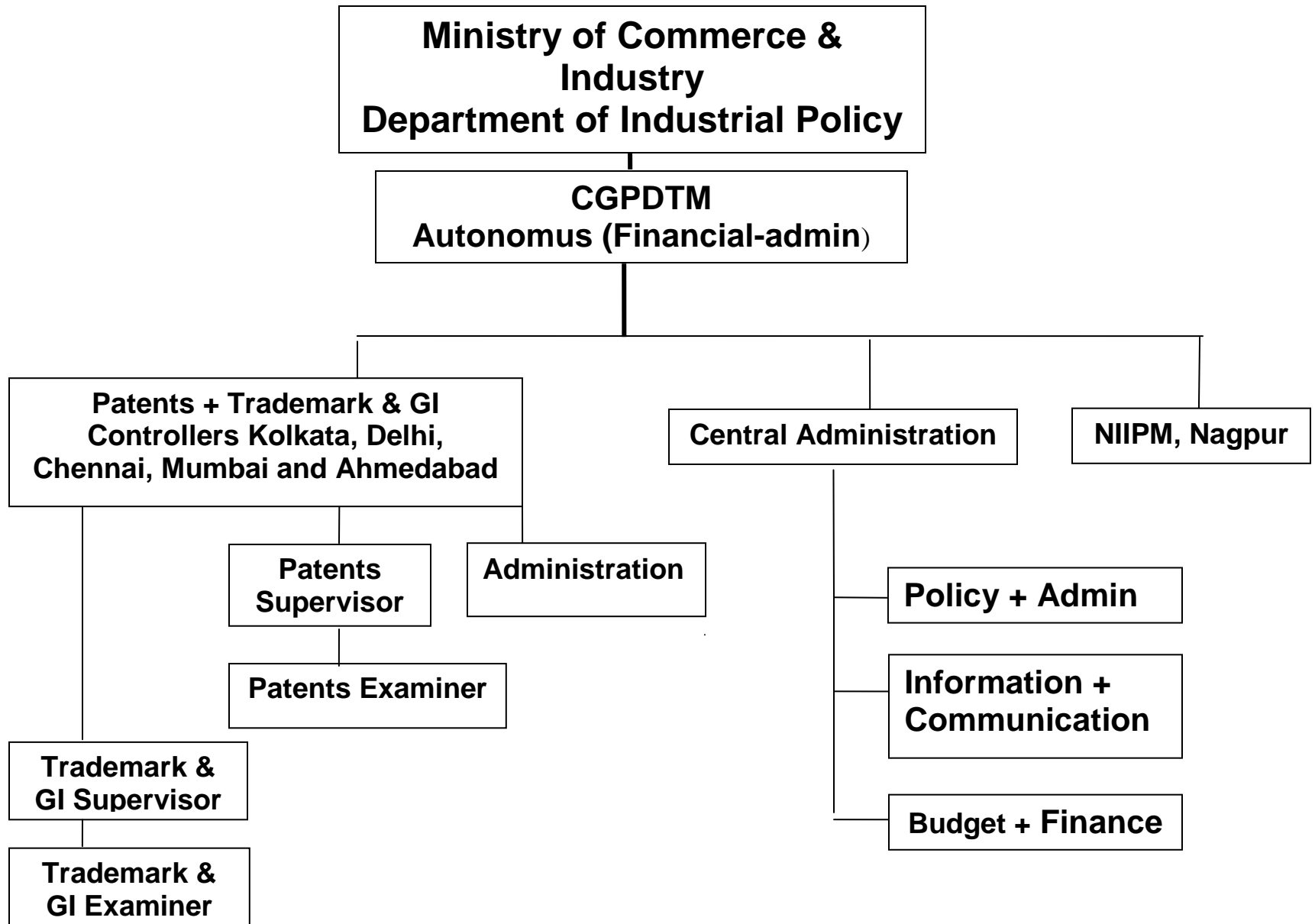
Our suggestions on this point are :

- *You may make patents and “trademark + GI registry” as two different divisions headed by a single controller at each of your five offices and in turn these controllers will be reporting to CGPDTM administratively. So there will be common controller for patents and “trademark + GI registry” at offices in Kolkata, Delhi, Chennai, Mumbai and Ahmedabad. Each office will be administered by respective controllers supervising patents, trademarks, designs and GIs.*
- *For administrative activities of trademark and patents, either recruiting of separate work force for each or revenue expenditure & policy making will be part of CGPDTM, whereas individual office will be looked after by division head for both work distribution and day-to-day administration. For example central administration may be divided into policy and administration; information and communication; budget and finance, which will look after activities of both patent and trademark, but in a more focused way. Please see the organisational structure as mentioned under point no 2.*
- *It is proposed to set-up a budget and finance department, reporting to CGPDTM, which will manage the revenue and utilization or the fund requirements for infrastructure, or man power requirements of both patents and trademark divisions.*

- *Patent office need examination force contain supervisory examiners and their role will be explained in point no 06.*

2. If so, what should be the organisational and reporting structure for each office?

As mentioned earlier it may a better option to make patents and “trademark + GI registry” as two different divisions headed by one controller. We propose the following set up for Indian Patent Office, IPO, which can reduce burden on controller and in a way can cater well to the industry need.



3. Given the sensitivity of Patent law and practice in India and also the experience in other major IP Offices such as the USPTO, would it be appropriate to consider making the Office of CGPDTM autonomous? Is it possible to bifurcate the two offices and make the Trade Marks Registry and the Patent and Design Office two autonomous organizations?

At present globally no IP office is fully autonomous; it is difficult to forecast the implications of such an action.

Our suggestions on this issue are,

- Financial and administrative autonomy is to be given to CGPDTM.*
- The financial autonomy can help to use the revenues received for infrastructure development and recruitment of staff to make the office much efficient to meet the international standards and make it competitive / comparable with international patent offices like USPTO, Japanese / Korean patent offices.*
- One more advantage of this decentralized structure, if the correct controls are in place, will be the bottom-to-top flow of information, allowing decisions by officials of the organization to be well informed about lower tier operations and better management.*
- As suggested earlier it may not be required to set up independent offices for patents and Trade Marks. The two offices may be divided into separate entities to perform their activities under the supervision of respective controllers reporting to CGPDTM.*
- In order to generate better revenue and limit the work burden on the office for examining the defensive patent applications, office may consider of categorising applicants as individual, small, medium and large entities; design increased fee structure for these individual categories. This may put some kind of control work load/ streamline the number of unnecessary / undesired (defensive as well as offensive) applications. This will also help in generating more revenue which can be utilised for better infrastructure development, for recruitment and for better training of examiners of Indian patent office.*

4. What legal changes are required? What changes are required to the rules?

As mentioned in discussion paper making financial and administrative autonomy of CGPDTM will require minimum changes in rules and that patent office should make necessary changes.

5. Can the reorganization of the office of CGPTDM be taken up within the existing framework without seeking any amendments to the law? If so, what can be an ideal model?

As suggested earlier making patents and Trademark as two different divisions headed by individual controller reporting to CGPDTM should not require major amendments in law. The CGPDTM may be further supported by other divisions as mentioned earlier. Please refer to answer to Q.2.

6. How should the office of the Controller be strengthened?

From the data given regarding pendency of the unexamined patent applications it appears that the examiners are not able to perform to their fullest capabilities (~14000 applications examined in 2004-05 versus ~6000 in 2009-10) or else repeated examination of same application consumes the time of examiners. This clearly reflects that examiners are burdened in the examination of same application (e.g. responding back to the already examined applications, or the other office actions) or their time is diverted to other office functions. It may be also due to lack of enough web / knowledge resources, IT support, proper training and updates on the continuously changing technology which they are finding difficult to find / extract right conclusion and spending more time on it.

Our suggestions on this issue are,

- *A large number of supervisors / examiners to be recruited for smooth running as well as fast clearances of applications. At USPTO there are*

around 6780 patent examiners and each one handles around 79-80 applications in a year.

- Pendancy should be considered if the application is not examined at all, which will give exact picture on pendancy and patent office should closely monitor yearly pendancy of applications. Applications should be rejected with reasoned statement of rejection so applicants are clear of what information/data is needed to support the invention or face final rejection.*
- The patent office should fix number of rejection/allow arguments of supportive justification, once examination starts and should issue final rejection for either appeal to supervisor/continued examination. This will reduce continued examinations of repeated arguments and time spent on it. Therefore it is suggested to have procedural changes in the patent examination. Whereas trademark/GI does not require in-depth analysis if novelty is lost and final rejection/acceptance can be decided much earlier.*
- We suggest keeping supervisory examiners also, heading a group of examiners for each subject group. The supervisors will approve the examination report / rejection and would also handle appeals / continued examinations when there is deadlock during prosecution among examiner and the applicant. The deadlock appears when examiner repeats same objections during prosecution and applicant sticks to his comments.*
- Time bound examinations and time-frame on number of examinations to be done by each examiner to be implemented to reduce the pendancy and for better utilization of manpower.*
- The examination / prosecution reports should be made in soft copy format. This will reduce on efforts and save money to print, courier the hard copies of reports and also reduces time for communication with applicants and/or attorneys. You may charge if any applicants and/or attorneys require hard copies of such documents.*

- *The office may think of providing the applicants with an option to withdraw their application unexamined and get certain percent of their application fee refunded before the first action is taken 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. This will reduce the number of applications and also reduce the time consumed in the opposition, thereby helping in reduction of load on IP office.*
- *The office needs to improvise a lot on IT support like e-filing, prosecution reports, routine office work, communications, records. Everything should be computer / Web based so as to reduce the manual workload, space requirement / time saving and easy searchability of the documents. Also, Office should convert all applications and patents of Indian office in soft files and made it available through internet. So the work carried currently for providing patent copies by office will reduce drastically. It also helps to search Indian applications/patents better, and a good search report can be provided. For this purpose you may consider taking consultancy from Korean patent office since they have developed there office site in beautiful way in short period of time. You may also think of charging for downloading patent copies to meet the expense for maintaining Indian patent site. Office should only work for providing certified copies, will reduce work load for such activities.*

Implementing these suggestions can strengthen the CGPDTM office and also help to increase its productivity.

7. The Department had taken an initiative to outsource some part of the prior art search of the Patent office to CSIR. This project is proving to be beneficial. Which other organizations could be tapped for the purpose. Are there likely pitfalls that the department must take precautions against? What could be such precautions?
 - *It is suggested not to outsource the prior art search to outside organisations, at least for patent applications as there could be conflict*

of interest as many such organizations, including CSIR, themselves are filing patents. Trademark / GI search may be outsourced, if needed.

- Another big question will be on confidentiality measures with outside organisations. Who will take the onus of secrecy/confidentiality? Please note CSIR Institutes themselves are working collaboratively with many Industries and filing their work as patent applications.*
- There also exist question of accountability and responsibility on the searches done. Relying on a poor or incomplete search for examination can result into lot of legal and opposition proceedings which ultimately will results into huge burden on patent office.*
- Office may think of establishing a search wing/personnel be incorporated / delegated within the IPO to perform prior art search and given search report, just like the process followed by EPO.*
- If required, NIIPM at Nagpur can be empowered for this and it can cater the need for such searches. Here there will not be any issue of confidentiality, accountability and responsibility if the institute is directly reporting to CGPDTM.*

8. Is a similar outsourcing (including employment of temporary but qualified personnel) exercise possible in case of trademarks where more than 400000 trademark applications are pending at various stages? If so, what could be the safeguards that should be put in place?

Looking at enormous pendency in case of Trademarks and nature of work the possibility of outsourcing including employment of temporary but qualified personnel can be considered.

9. What other measures can be used to improve the base of examination of applications within the framework of the existing legislation?

Lot of focus is required on this issue. Our suggestions are,

- *Examiners must be trained extensively for carrying out proper and meaningful examinations. NIIPM at Nagpur can be empowered not only for search report preparation but also for conducting trainings to examiners.*
- *The extensive training can help examiners to make applications acceptance or rejection with proper understanding of the subject.*
- *As suggested earlier the office should think of keeping supervisors above the examiners level. The supervisors will review cases when there is deadlock among examiners and the applicants. The deadlock appears when examiner repeats same objections during prosecution and applicant sticks to his comments.*
- *The examiners / supervisors should be supported with required infrastructure to service in a better way.*
- *The accountability of examiners / supervisors needs to be increased.*

10. In spite of e-filing for patents etc. and streamlining of the examination process, is there a need for setting up additional offices?

We do not think there is need to set up another office, one need to strengthen and stream line the working in the existing office. Also go thru the suggestion as made under point no 09. Either e-filed applications or hard filed application, converting them into soft copies are essential for transferring the information to any of the patent offices or search wing NIIPM.

11. The National Institute of Intellectual Property and Management, which is housed in Nagpur, is at present under the supervision of the CGPDTM. This institute needs to be developed into a world class institution for research and training in the field of IP. Would it be better for such an institution to be directly controlled by the Ministry or should it continue as one of the offices of CGPDTM?

- *This looks to be an excellent idea. The NIIPM at Nagpur should be made an educational and training wing and evolve as a source for technical and qualified personals for employment in the various departments of IPO.*
 - *The NIIPM should operate under CGPDTM.*
 - *You may think of giving prior art search to a team working at NIIPM.*
 - *This institute can also run quality academic programs like PG and PhD's in the areas of IP which will not only result into workforce generation for IPO but will also cater the need of outsourced activities of IPO as an in-house division.*
12. The recruitment of officers has been delayed inordinately by the complicated, prolonged procedures involving interdepartmental approval. What could be the options to address this problem? Should a special dispensation be sought to address this issue. If so, what could be the possible course of action?
- *As suggested earlier, the financial and administrative autonomy can resolve the issue of prolonged formality procedures to a great extent and also the funding issue should get resolved automatically.*
 - *As per earlier suggestion the increase in fee structure will further help in generating more revenues.*
13. Since Trademark registration is a quasi judicial process involving opposition cases and hearings, what can be done to address the large number of vacancies for the post of Assistant Registrar and above? If it is not possible to select new officers immediately, what can be done to remedy the situation?
- The hiring of temporary work force of qualified personnel / advocates can be considered in order to cater the requirement.*

14. Considering the importance of trademarks in India and the fact that a majority of the applications are made by Indian applicants, should the size of the Registry be addressed in the XII Plan? What could be an appropriate structure?

Please refer the suggestions as made in point no. 01 for structural modifications of CGPDTM office.

15. In view of the fact that some innovations can qualify for different kinds of IPRs, would it be better to have a single window at the front end for applicants for all kind of IPRs while the specific IPR issues could be handled by different offices at the back-end ?

This is better idea and should be made single window operation. The organisation structure as suggested in point no 02 can help the CGPDTM office to cater in a better way.

16. Any other views on the subject.

We have following views / suggestions :

- *Complete and quick transformation of all IP documents to soft copies needs to be addressed on priority. So a ready availability of database for soft copies of patent applications, prosecution history, patent status and regular updation of database. For this the office should think of developing well managed patent office site like Korean patent office and may think of taking consultancy from the Korean patent office.*
- *Lot of delay is seen in getting hard copies from patent offices.*
- *Any objection raised during prosecution must be supported by meaningful explanation. Reasoned examination reports from Indian patent perspective, will help the applicant with better understanding of the requirement of the examiner and he will be in a better position to respond to his needs in a more focused way.*
- *Annuity payment to be made online with direct bank transfer and the system must be foolproof.*

- *A large number of supervisors / examiners to be recruited for smooth running as well as fast clearances.*
- *It may not be easy to get qualified people to support this activity and therefore a university / college should be started to produce qualified work force.*
- *A training centre to train people at entry level as well as on routine basis to upgrade their knowledge / skills at par with the other patent offices of the world. Training of the examiners by key personnel at USPTO or European patent office will be useful to get right exposure.*
- *Training is also needed for technology up gradation / implementation to improve the speed of prosecution / processing of applications.*
- *CGPDTM should generate revenue to run the IP office to avoid dependency on government funding.*

Stakeholders may post their responses on the DIPP website or email them to sk.lal@nic.in or chandni.raina@nic.in or dv.prasad@nic.in positively by 30th November, 2011.