



By hand

BT/AB/08/05/2004

13th June, 2011

Subject: Discussion paper on Utility Models- Comments of Department of Biotechnology

Reference D.O. No. 14/4/2011-IPR-III dated 16th May, 2011 addressed to Secretary, DBT regarding comments on the discussion paper on Utility Models.

The comments of Department of Biotechnology are enclosed. This issues with the approval of Secretary DBT.

(Dr. Renu Swarup)
Adviser

Tel: 24360064; Fax: 24363018

E-mail: swarup@dbt.nic.in

Shri. R.P Singh,
Secretary to Government of India,
Deptt. Of Industrial Policy and Promotion
Ministry of commerce & Industry
Udyog Bhawan, New Delhi-110011
rp-singh@nic.in

Director (C.R.)

1. I'm sure all the comments from govt officials and stakeholders etc coming in writing are being maintained / compiled in a file.
2. However, what about the comments on the discussion papers?

Hand
14/6

(1) Please keep all comments on utility Model in the file on the disc utility Model file.

BT-94/JS(SUP)/11 (2) Comments forwarded may also be

12/1/2011
15/6/11

JS(SUP)

1911
13/6

Comments on document received by Secretary, DBT (Dy. No. 1603 dated 19.5.2011) from Secretary, Department of Industrial Policy & Promotion, Ministry of Commerce, G.O.I. (D.O. # 14/4/2011-IPR-III dated May 16th, 2011)

Utility Model (Definition)

A utility model is a statutory monopoly granted for a limited period of time in exchange for an inventor providing sufficient teaching of his or her invention to permit a person of ordinary skill in the relevant art to perform the invention. The rights conferred by utility model laws are very similar to those granted by patent laws, but are more suited to what may be considered as "*incremental inventions*". Terms such as "*petty patent*", "*innovation patent*", "*minor patent*", and "*small patent*" may also be considered to fall within the definition of "*utility model*".

Channelling incremental advances of certain sectors as in the pharmaceutical sector, to a lesser form of patent protection may be a progressive enforcement of utility model in the Indian context where the scene is rife with rejection under section 3(d).

S. No.	Discussion Points	Remarks
1.	Does India need a Utility Model Law?	Yes we need one. Inventions which do not fall completely within the scope of patent laws could be registered by the Utility Model route. This will aid in an overall economic development, more inventors and small scale enterprises will indulge themselves into innovation spree.
2.	What should be the scope of protection of such a law? Should it be restricted to mechanical devices?	It should be restricted to mechanical devices and industrial designs. We do not think it could be applicable to all branches of Life Sciences and its allied branches. However, it could apply to some sections of pharmaceutical industry such as improved chemical compositions and/or for mechanical devices for patient care and for R&D machines.
3.	What parameters should be adopted in the law with respect to inventive threshold, substantive examination, grace period, exhaustion, and protection period and registration procedure?	The Utility Model law may have a lower standard of inventiveness than for patents and the cumulative protection may be possible. Protection period under Utility Model Law should be 8 years but should not exceed the term of patent <i>i.e.</i> , 20 years. Renewal of protection may be introduced with renewal and structured fees. <i>(Note: In case of patents: If patents that are granted after a substantive examination show that the invention meets the patentability criteria, legal certainty is served both for the patentee and third parties. However, if by means of a utility model</i>

		<p><i>granted without substantive examination, & third parties do not know whether this utility model is merely a piece of paper without value?</i></p> <p>Hence, a procedure such as non examination system for the first term of protection, followed by a compulsory examination report for the second stage of protection (i.e. after 8 years) could be followed. Examiners should check that the application meets the desired requirements; and that the application has not provided the misleading facts.</p> <p>Utility Model Law May have a 6 month of grace period before the priority date for written disclosure/prior public use.</p> <p>Registration procedure should be simple and cost effective to suit start-ups and SMEs.</p>
4.	What novelty criteria should be adopted? Should they be absolute or relative?	Utility Model Law may follow absolute novelty criteria same as for the Patents.
5.	What should be the nature of linkages between this law and the existing Patents Act? How do we ensure that the existing Patents Act, which is a bulwark against the ever greening of patents, remains undiluted?	The fact that a utility model only has a maximum life-term of e.g. 8 years does not distinguish a utility model from a patent, as most patents are abandoned well before the maximum term of 20 years.
6.	What legislative route should be adopted? Should a separate law to protect utility models be enacted? Or should the Patents Act be suitably amended? Or should the Designs Act be amended?	<p>Yes, a new legislation should be enacted. All utility model innovations (titles only; non-disclosure format), should be immediately placed in a central website for viewership by public. A separate law to protect the utility models should be enacted.</p> <p>The Patent Act or the Design Act should not be amended for this purpose.</p>
7.	Should the facility for temporary protection of an invention as a utility model pending grant of a patent be built into the legislation? Should it be specifically mandated that only one form of protection would be available at any time?	<p>Only one form of protection should be available at a time <i>i.e.</i>, dual protection should <i>not</i> be provided for the same invention.</p> <p>If the patent application has been cancelled or refused on grounds of lack of inventive step, or that the application is pending for patent grant, it may seek protection to Utility model.</p>
8.	Should applications for patents be transmutable to utility model applications and vice versa whenever the applicant so desires?	<p>Yes.</p> <p>Conversion of patent to utility model and <i>vice versa</i> could be followed but under certain circumstances. This will boost the commerce and the patents will not</p>

9.	Should any specific provisions be introduced in the proposed utility model law to promote domestic filings as well as applications from SMEs? Can we use this model to protect some part of our traditional knowledge?	gather dust in files. Yes. The utility model law can be used to protect some part of our traditional knowledge. Utility model law could be advantageous for SMEs and such a cost effective and fast legal system would improve the environment for SMEs but depending on type of innovations they are contributing. The reality is that small inventors in our country can ill afford the cost of a patent application drafting/attorney fees. It is for the small inventor that this proposed law should help. If the benefits also reach other strata (like corporations) etc., so be it.
10.	What enforcement procedure should be put in place? What should be the dispute resolution mechanism? Who should be the adjudicating authority?	It should be same as for patents. A separated body under the legal system of India should be created for dispute resolution. The Committee should consist of an IP attorney, relevant technocrats and a nominated attorney from Supreme Court of India.
11.	To obviate monopolistic dominance, should the adjudicating authority be empowered wherever public interest is involved, to award compensation/royalty in lieu of restraining the infringement?	Yes. These utility model rights should be assigned or licensed to third party, however, if the originator undertakes to manufacture the product, he/she may also be allowed to do so. Cross licensing/compulsory licensing provision may also be considered.