

PATENT RULES & AMENDMENTS IN INDIA

I. AMENDED RULE 6(1A)

Previous Rule 6(1A) states:

“Notwithstanding anything contained in sub-rule (1), a patent agent shall file, leave, make or give all documents only by electronic transmission duly authenticated, including scanned copies of documents that are required to be submitted in original:

Provided that the original documents that are required to be submitted in original, shall be submitted within a period of fifteen days, failing which such documents shall be deemed not to have been filed.”

AMENDED RULE 6(1A) STATES:

“Notwithstanding anything contained in sub-rule (1), a patent agent shall file, leave, make or give all documents only by electronic transmission duly authenticated:

Provided that any document, if asked to be submitted in original, shall be submitted within a period of fifteen days, failing which such documents shall be deemed not to have been filed.”

With the amendments to Rule 6(1A), electronic versions of the original executed documents can be submitted to the India patent office within the stipulated deadlines. This is in contrast to the previous requirement where submission of original executed documents was required.

Amended Rule 6(1A) also stipulates that only upon the request of the Examiner, the original document needs to be submitted **within 15 days of the request**, failing which it shall be deemed that the document (electronic version) is not filed.

II. AMENDED RULE 24C(1)

Previous Rule 24C(1) states:

“An applicant may file a request for expedited examination in Form 18A along with the fee as specified in the first schedule only by electronic transmission duly authenticated within the period prescribed in rule 24B on any of the following grounds, namely:

- (a) *that India has been indicated as the competent International Searching Authority or elected as an International Preliminary Examining Authority in the corresponding international application; or*
- (b) *that the applicant is a startup.”*

AMENDED RULE 24C(1) STATES:

“An applicant may file a request for expedited examination in Form 18A along with the fee as specified in the first schedule only by electronic transmission duly authenticated within the period prescribed in rule 24B on any of the following grounds, namely:

- (a) *that India has been indicated as the competent International Searching Authority or elected as an International Preliminary Examining Authority in the corresponding international application; or*
- (b) *that the applicant is a startup; or*
- (c) *that the applicant is a small entity; or*
- (d) *that if the applicant is a natural person or in the case of joint applicants, all the applicants are natural persons, then the applicant or at least one of the applicants is a female; or*
- (e) *that the applicant is a department of the Government; or*
- (f) *that the applicant is an institution established by a Central, Provincial or State Act, which is owned or controlled by the Government; or*

(g) that the applicant is a Government company as defined in clause (45) of section 2 of the Companies Act, 2013 (18 of 2013); or

(h) that the applicant is an institution wholly or substantially financed by the Government;"

Explanation: For the purpose of this clause, the term 'substantially financed' shall have the same meaning as in the Explanation to sub-section (1) of section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971(56 of 1971); or

(i) that the application pertains to a sector which is notified by the Central Government on the basis of a request from the head of a department of the Central Government,

Provided that public comments are invited before any such notification; or

(j) that the applicant is eligible under an arrangement for processing a patent application pursuant to an agreement between Indian Patent Office and a foreign Patent Office.

Explanation: The patentability of patent applications filed under clause (j) above will be in accordance with the relevant provisions of the Act.

Previously, Rule 24C(1) allows for the applicant to request for expedited examination only under 2 conditions:

(a) India is the ISA or IPEA of the corresponding international application; or

(b) Applicant is a startup.

Amended Rule 24C(1) now extends the benefit of requesting expedited examination to applicants who fall under any one of the following additional conditions:

(c) Applicant is a small entity; or

(d) Applicant or joint applicants are natural persons, and that the applicant or at least one of the applicants is a female; or

(e) Applicant is a department of the Government; or

(f) Applicant is an institution established by a Central, Provincial or State Act, which is owned or controlled by the Government; or

(g) Applicant is a Government company; or

(h) Applicant is an institution wholly or substantially financed by the Government;

(i) Application pertains to a sector which is notified by the Central Government on the basis of a request from the head of a department of the Central Government,

Provided that public comments are invited before any such notification; or

(j) Applicant is eligible under an arrangement for processing a patent application pursuant to an agreement between Indian Patent Office and a foreign Patent Office. **Presently, the request for expedited examination under such arrangement is not yet available.**

Foreign applicants who fall under any of the above categories can request expedited examination. However, care must be taken by foreign applicants in this regard as the India patent office has relatively specific requirements for what would be considered to be "**startup**" and "**small entity**", as defined in the India Patents Act.

"**small entity**" means, —

(i) in case of an enterprise engaged in the manufacture or production of goods, an enterprise where the investment in plant and machinery does not exceed the limit specified for a medium enterprise under clause (a) of sub-section (1) of section 7 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006); and

(ii) in case of an enterprise engaged in providing or rendering of services, an enterprise where the investment in equipment is not more than the limit specified for medium enterprises under clause (b) of sub-section (1) of Section 7 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006).

Explanation 1: For the purpose of this clause, "enterprise" means an industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951) or engaged in providing or rendering of any service or services in such and industry.

Explanation 2: In calculating the investment in plant and machinery, the cost of pollution control, research and development, industrial safety devices and such other things as may be specified by notification under the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), shall be excluded.

Explanation 3: The reference rates of foreign currency of the Reserve Bank of India shall prevail.

Section 7 of the Micro, Small and Medium Enterprises Development Act, 2006 states that

- (a) in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951, as
 - (i) a micro enterprise, where the investment in plant and machinery does not exceed twenty-five lakh rupees (approx. USD 35 thousand);
 - (ii) a small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees (approx. USD 35 thousand) but does not exceed five crore rupees (approx. USD 700 thousand); or
 - (iii) a medium enterprise, where the investment in plant and machinery is more than five crore rupees (approx. USD 700 thousand) but does not exceed ten crore rupees (approx. USD 1.4 million);
- (b) in the case of the enterprises engaged in providing or rendering of services,
 - (i) a micro enterprise, where the investment in equipment does not exceed ten lakh rupees (approx. USD 14 thousand);
 - (ii) a small enterprise, where the investment in equipment is more than ten lakh rupees (approx. USD 14 thousand) but does not exceed two crore rupees (approx. USD 280 thousand); or
 - (iii) a medium enterprise, where the investment in equipment is more than two crore rupees approx. USD 280 thousand) but does not exceed five crore rupees (approx. USD 700 thousand).

“Startup” means, —

- (a) an entity in India recognised as a startup by the competent authority under Startup India initiative.
- (b) In case of a foreign entity, an entity fulfilling the criteria for turnover and period of incorporation/registration as per Startup India Initiative and submitting declaration to that effect.

Explanation: In calculating the turnover, reference rates of foreign currency of Reserve Bank of India shall prevail.

Under the Startup India Initiative, the following criteria (as of 23 September 2019) need to be fulfilled:

- (a) The entity should be incorporated as a private limited company or registered as a partnership firm or a limited liability partnership;
- (b) The entity should have a period of existence and operations not exceeding ten years;
- (c) The entity's annual turnover should not have exceeded INR 100 crores (approx. USD 14 million) for any of the financial years since incorporation/ registration;
- (d) The entity should not have been formed by splitting up or reconstruction of a business that was already in existence; and
- (e) The entity should work towards innovation, development or improvement of products or processes or services, or should be a scalable business model with a high potential of employment generation or wealth creation.

Further information about the Startup India Initiative can be found in <https://www.startupindia.gov.in/content/sih/en/startup-scheme.html>

III. NEW FEE ITEMS

The amendments also include 2 new items in Table 1 – Fees payable under the First Schedule. These include: transmittal fee for International application (for ePCT filing); and the preparation of certified copy of priority document and e-transmission through WIPO DAS. No fees are payable yet for these 2 new items. We will provide further updates if the India Patent Office issues further changes to the fees of these 2 items.

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