

Delhi High Court Issues Notice regarding Working of Patented Inventions

In a recent development that could have major ramifications on intellectual property cases in pharmaceutical and technology sectors, the Delhi High Court issued a notice to the government in a PIL (Public Interest Litigation) filed by Mr. Shamnad Basheer in regard to the “working statement” of patented inventions in India.

MANDATORY REQUIREMENT TO FURNISH DETAILS OF WORKING OF PATENTS

According to Section 146(2) of the Patents Act, 1970 read with Rule 131 of the Patent Rules, 2003, every patentee and every licensee has to make an annual disclosure (Form-27) as to how far and to what extent the patent has worked on a commercial scale in India.

A statement of working is a yearly declaration to be made by the patent-holder and/or the licensees attesting the fact that the invention has indeed been commercially worked for the benefit of the public.

DETAILS REQUIRED IN FORM 27

To determine whether a patented invention has been “worked” (i.e. made accessible to the public for its benefit), the Form 27 seeks the following information:

1. Whether or not the patented invention was worked in India.
2. If not worked, the reasons for not working and steps taken for working of the invention
3. If worked, the following details need to be provided:
 - Quantum and monetary values of the patent products (which includes products made through patented processes)



manufactured in India and imported from other countries.

- Licenses or sub-licenses if any that were granted in respect of the patented invention
- If the reasonable requirements of the public had been met either partly, adequately or to the fullest extent possible

BACKGROUND AND IMPORTANCE

Furnishing such information is crucial in compulsory licensing cases in order to establish whether the patented invention has fulfilled the reasonable requirements of the public by inter alia selling the patented product at an affordable price.

Patent working data is critical for triggering compulsory licensing and revocation provisions. This information played a pivotal role in the compulsory licensing dispute between Bayer Corporation v. Natco Pharma Ltd. Natco used this data to stake their claim to launch a more affordable version of a life-saving cancer drug, showing MNC firm Bayer's Form 27 patent filings where it was

supplying the drug to only 2% of the patient population.

In the matter of Shamnad Basheer v Union of India, the petitioner (Mr. Basheer) prayed that the Hon'ble Court may, in public interest, be pleased to issue a Writ of Mandamus, or any other appropriate writ or order directing the authorities:

- i. To strictly enforce compliance with Section 146(2) read with Rule 131(1) of the Patents Act, 1970 and Rules thereunder in relation to disclosure of information on commercial working of patent by every patentee and licensee;
- ii. To initiate proceedings under Section 122(1) of the Patents Act, 1970 against errant patentees and licensees who have failed to comply with the mandatory requirement of Section 146(2) read with Rule 131(1) of the Patents Act, 1970 and Rules;
- iii. To issue notices under Section 146(1) of the Patents Act, 1970 to patentees and licensees to furnish true and complete

YEAR	PATENTS IN FORCE	FORM-27		% NON COMPLIANCE
		FILED	NOT FILED	
2009	37334	24009	13325	35.69
2010	39594	34112	5,482	13.84
2011	39989	27825	12,164	30.41
2012	43920	27946	15,974	36.37

information in relation to incomplete disclosure of information on commercial working of the patent;

iv. To immediately rectify the 'comprehensive online filing services for patents' to enable patentees and licensees to submit full and complete working information;

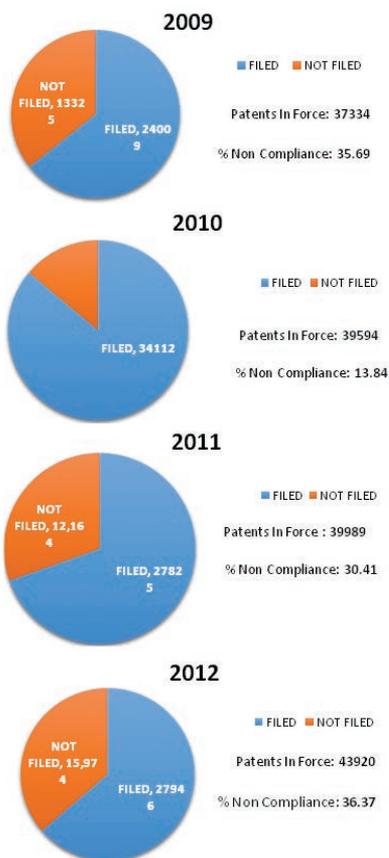
v. To publish and upload the entire information relating to commercial working of all patents for all years of operation of the patent on their website as per Section 146(3) of the Patents Act, 1970 and Rules thereunder;

vi. To declare that the present format of Form-27 as contained in Schedule II of the Patents Rules, 2003 is insufficient to sub-serve the purpose of the Patents Act, 1970;

vii. To constitute a committee of experts to suggest reforms to improve the public disclosure norms around the of patents;

viii. Grant such other reliefs, including the costs of this writ petition, in the interests of justice.

Petitioner conducted survey in three critical areas: pharmaceutical drugs (lifesaving drugs for fatal diseases such as cancer, AIDS, diabetes and hepatitis); telecommunications; and publicly funded research and development and submitted data before the Court in regard to non-compliance and defective declarations of working of patented inventions along with other relevant supporting documents in the PIL, reproduced here:



CONCLUDING REMARKS

According to the petitioner, approximately 35% of patentees did not disclose any working information for the years 2009 to 2012. Also a significant number of defective declarations were submitted which were incomplete, incomprehensible or inaccurate.

The government has now accepted notice and has been given 4 weeks to file a reply. The next date of hearing in the matter is November 17, 2015. [W](#)



Bhawna Sharma is an Indian Patent Agent.

She is a skilled IP Asset & Technology Intelligence professional with extensive practical experience over 6 years in Patents and Designs. She holds Masters Degree in Life Science and Post Graduate Diploma in IPR.

She is proficient in all aspects of patents and designs including but not limited to Searches, drafting, National and International filing, prosecution and providing opinions related to patents in various domains of Life Sciences- especially Pharmaceutical, Bio Pharma, Medical Diagnostics, Biotechnology.

She is directly engaged in establishing strong client relationships with key players, structuring the client requirements, assessing pipeline, forecasting work load and delegating task among the team members, meeting deadlines and ensuring quality of the work.



Vikrant Rana is the managing partner of S.S. Rana & Co., a premier Intellectual Property Law Firm of India. He is an Advocate-on-Record with the Supreme Court of India (2006) and is a registered patent agent. For over a decade, Vikrant has been providing practical legal

advice to many Fortune 500 companies and some of the world's most esteemed corporations on securing, protecting, and enforcing their IP assets in India and world over.

He is actively involved in sensitizing awareness on Intellectual Property Rights in India and is associated with several government organizations including the TIFAC, Department of Science and Technology, Patent Facilitating Centers (PFC), Patent Information Centers (PIC), FICCI, Ministry of Small Scale Industries (MSSI), CII, WIPO, TERI, IIM Ahmadabad, BHU etc. and is a frequent speaker and panelist in seminars and conferences conducted by these organizations. He is a member of several law associations and forums including INTA, FICPI, APAA and AIPPI.