Nitto Denko v. Union of India

Thought Leadership • March 31, 2015

While patent office delays and excessive backlog of pending patent applications at the Indian Patent Office has been an issue of serious concern for a while, it is only recently that the issue has been seriously dealt with and exposed vide two writ petitions before the Delhi High Court filed by Nitto Denko Corporation, a company based in Japan and represented by Pravin Anand of Anand and Anand. As per the mandate of Patent Law, the First Examination report is to be issued ordinarily within six months from the date of the request for examination or six months from the date of publication, whichever is later, under Rule 24B(3) of the Patent Rules, 2003. However, the word ordinarily is being stretched to almost indefinitely, and currently the Patent Office is taking eight to nine years for a patent to be granted, thus significantly reducing the term from 20 to 13 years. The writ petitions were initially disposed of on October 9, 2014.

Outcome of the Order

The government has committed to spending more than Rs.30.96 million (US$49.2 million) for recruitment of fresh examiners and to solving all related problems, including salaries, attrition, etc. Additionally, a committee was constituted to deliberate upon: a) Waiver of maintenance fees as a compensatory measure for the delay in patent grant; b) Patent term extension to compensate for the delay; and/or c) Out-of-turn/expedited examination. The Committee submitted its report on February 27, 2015.

Waiver of Maintenance Fees/Patent Term Extension Not Viable

With respect to waiver of maintenance fees and patent term extension, the committee concluded that the said practices only exists in the United States and nowhere else in the world, and is not conducive to India. The committee was of the view that the 20 year patent term, which was originally seven years and thereafter 14 years, already provides for delays and therefore does not require a further patent term extension, particularly in India, where monopoly itself is considered too long to block genuine competition. *Read more on Asia IP.*