## Suggestions/Feedback received from stakeholders regarding provisions on Working of Patents in Patents Act and Rules

<table>
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<tr>
<th>S.N.</th>
<th>Stakeholder name</th>
<th>Address</th>
<th>Category</th>
<th>Brief of suggestion/feedback</th>
<th>Changes proposed</th>
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</thead>
</table>
| 1    | Venkatesh Krishnamoorthy Country Manager- India, BSA- The Software Alliance | Delhi | Industry | • Explore ways to remove Form 27 from the patent system, rather than simply amending it, which requires a change in the Patent Act. In the interim, introduce amendments to make Form 27 practical and useful.  
• one Form 27 may suffice for multiple patents if the working statement for each such multiple patents is the same  
• Form 27 must not mandate the disclosure of revenues or license fees earned by working a patent, given that such information relates to business or commercial information and not necessarily on whether patents are being worked or not.  
• Where patentees are required to provide such information, they should be asked to do so upon specific request, and within the confines of a confidentiality agreement with the CGPDTM.  
• Requirements for providing quantum and valuation must be removed, due to difficulties in their estimation and calculation  
• Finally, applicants should be allowed to file a simpler Form 27. In the online submission process, Form 27 should be flexibly designed to enable patentees to enter only that information which is suited to the requirements of their industry | yes |
| 2    | Dr. S.K. Murthy Core-Committee Member, In-House IP professionals (I-HIPP) forum | Bangalo re | IP Lawyers Group | • Seeking information through FORM-27 from every patentee will only burden the patent office as the patent office may not have the resources to ascertain the information provided in the FORM-27 for each patent and the license provided thereof.  
• The information sought in the present Form 27 is impossible to determine, ambiguous and lacks in clarity.  
**For example,**  
- **Working of invention on a commercial scale**: it is still controversial as to whether the local working of the patent can only be satisfied by the local production within the territory of India and not importation. The scope of the word “commercial scale” needs to be clarified.  
- **Form 27 impinges upon the “Right to Confidentiality”**, as under a Licensing model, IP owner is under an obligation to keep important business data concerning licensees as confidential.  
- It is difficult to determine the **Quantum and value (in Rupees) of the** | yes |
**patented product**

- Existing Form 27 is based on presumption that one product is equivalent to one patent. However, such a model is non-existent in ICT sector where one product is not based on one patent but is actually covered in portfolio of patents. Clarity needs to be established whether it is a must to identify each and every patent in each and every product. Is it possible to group a bundle of patents and list all the patent numbers in a single Form – 27 and indicate that one or more of these listed patents are worked in one or more of the listed Assoproduts?

- There is no unequivocal, generally accepted meaning existing to interpret the words “partly met/adequately met/ met to the fullest extent”. A more precise wording would be good.

- The words “reasonable price” is ambiguous and there is no clarity on what amounts to reasonable price.

- It is difficult for a patent holder to ascertain the scope related to “public requirements” as it would be an additional burden on the patent holder to do a market study and collect the information related to public requirements. “public requirements” could differ from one industry sector to the other.

- Hence, there is a high probability of providing incomplete information. At the same time, unintentionally providing incomplete/incorrect information may result in enforcing Section 122 provisions.

- **In view of the above, revise Form – 27 and come up with a simple, clear, concise and unambiguous Form** such that the patentees/licensees can provide the information. It should meet the statutory objectives of seeking relevant information for the purpose of administering compulsory licensing, and at the same time avoids unneeded burdens to the majority of patentees, where there is clearly no demonstrated public interest.
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<th>Archana Shankar of Anand &amp; Anand</th>
<th>Delhi</th>
<th>IPR Professionals Firm</th>
<th>Recommendations:</th>
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<td><strong>Make Form 27 simpler and be applicable across technologies after taking into account their challenges.</strong>&lt;br&gt;<strong>Include IPC classification to analyse the information provided across all technologies.</strong>&lt;br&gt;<strong>Give option of one Form 27 for a cluster of patents</strong>&lt;br&gt;<strong>Patentee may submit whatever information is available along with self-declaration.</strong>&lt;br&gt;<strong>Revision of Form 27 should be through a stakeholder consultative process within a time frame as has been done by the patent office in past</strong>&lt;br&gt;<strong>Confidential information ought to be protected and should not be published (“MAY” in Section 146(3)</strong>&lt;br&gt;<strong>It should not be mandatory for the Patentee to disclose the name of the licensee as it is not a requirement under Section 146.</strong>&lt;br&gt;<strong>The expressions such as “whether public requirement has been met partly/adequately/to the fullest extent at reasonable price” in Form 27 is not required under Section 146</strong>&lt;br&gt;<strong>Under section 146(2), the word “and” should be read as “or” in view of Section 146(1), to avoid inconsistency between the statements filed by the licensee/patentee.</strong>&lt;br&gt;<strong>The Indian Courts have recognized the importance of confidentiality clubs such that confidential information may not be disclosed to 3rd parties. Reference is made to Section 69(4) that clearly mandates non-disclosure of terms and conditions of the license upon request.</strong>&lt;br&gt;<strong>In case there is more information that might be required by the Controller, they can always exercise discretion under Section 146(1) and request for information.</strong>&lt;br&gt;<strong>Reduce penalties.</strong></td>
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(A revised format of Form 27 in marked up and clean copy enclosed).

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<tr>
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<th>Ankit Sahni</th>
<th>Delhi</th>
<th>Advocate</th>
<th>The discretion to publish the information submitted by the Patentee to the Controller remains with the Controller. The standard operating procedure (SOP) may be like this:</th>
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<tr>
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<td>a. Patentee submits working information in Form 27 to the Controller in compliance with Section 146/ Rule 131.</td>
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<td>b. Patentee may apply for the working information not to be published by the Controller by specifying grounds / reasons for non-publication. In the absence of such application, information submitted may be made public by default.</td>
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<td>c. Controller examines submissions and decides whether he is satisfied with the information submitted by patentee for purposes of compliance with Section</td>
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146. Controller also examines the grounds for non-publication of information received from patentee.

d. The Controller passes an order on the above two aspects. Order is published on the Patent office website.

e. Information submitted by patentee is accordingly either ordered to be published or withheld from public.

f. In case information is ordered to be published, a period of 4 weeks may be given to the patentee to file an appeal before IPAB, failing which the information will proceed to get published.

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5 Aparna Kareer Obhan & Associates New Delhi IPR Professionals Firm

Multiple questions on clarity in Form 27 Some of the issues and Recommendations are as follows:

1. Clause (i) (b) of Form 27:
   a. The Form 27 uses two (2) distinct terms “patented product” and “patented invention”. The term “patented product” is ambiguous as it is not necessary that the final product in which the patented invention is deployed would also be covered by patent rights. **If the intention is to obtain the value of the final product, in which the patented invention is used, then clause (1) (b) should be suitably modified.**

   b. In case a patented product is covered by multiple patents, then the true value of the patented invention will not be reflected in the Form 27. **This is especially of concern in cases where the patented product is covered by multiple patents held by different patentees.**

2. Clause (i) (b) (i) of Form 27:
   The term “manufactured in India” is not applicable to all categories of inventions for example, inventions pertaining to ICT.

3. Clause (iii) of Form 27:
   a. **The Form 27 in clause (iii) requires** the patentee to state “whether public requirement has been met partially/adequately/ to the fullest extent at reasonable price”.

   b. **This clause is unnecessary and open to multiple interpretations.** “Adequacy” “fullest extent” etc. are relative terms and require careful consideration of evidence. It is not practical for a patentee to make this determination for each patent.

   c. The patentee is also not in a position to assess “public requirement” as contemplated under the Patents Act.

   d. It is also not for the patentee to assess on the **reasonable price**, but rather
for the Controller to determine whether the price is reasonable or not.

e. It is suggested that this clause be deleted from the revised Form 27.

4. Rule 131 of the Patents Rules:
   Requires that the Form 27 be filed in respect of every calendar year within
   three months of the end of each year. However, no clarity is provided in
   respect of patent applications that are granted between 1st January till 31st
   March of a calendar year.

5. **No clarity** is provided in the Patents Act or the present Form 27, for cases
   where the patentee is manufacturing the product covered by the patented
   invention in India, but the manufactured product is only for exporting
   purposes.

6. Frequency of Form Section:
   146(2) only requires that the information be submitted at certain intervals
   not being less than six months apart. **Accordingly, requiring a yearly filing of**
   such information places an undue burden on the patentee. It should be
   considered whether this requirement can be made every three (3) years,
   with the first statement due after three (3) years from the grant of the
   Patent.

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<tr>
<th>6</th>
<th>Prakash. Balekundri Bosch Group of Companies</th>
<th>Bangalore</th>
<th>Industry</th>
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<td>Requirement of Form 27 is more relevant for patents related to public health and not for engineering and technology related patents.</td>
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<td>Industry should be relieved from the burden of tracking/mapping of technological patents to products and maintaining, providing information regarding value of the patented products.</td>
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<td>Form 27 should be revised and made simpler and easier for the patentees to provide the information what is available with a self-declaration and explain/declare the extent of working of working rather than providing information on quantum of products sold/value realized from the sale of products, meeting of reasonable requirements etc.</td>
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<td>The Controller could on a need basis request for additional information from patentees, based on a third party requesting for the same /the Controller may restrict this to only those patents/ which are related to public interest/public health.</td>
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<th></th>
<th>Anjan Das CII, Delhi</th>
<th>Industry Association</th>
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| 1. | **Freedom available to the Controller General:** Under Section 146(1) the Controller is provided with a choice that he can exercise his discretion in selecting patentees and nature of information being sought. The controller may consider exercising the choice which is closely in tune with the technological developments taking place at a rapid rate. For example, drug related patents and patents related to artificial intelligence.  
2. **Extent of information:** There should be a cap on the extent of the information to be published since the information pertaining to licenses, Country wise importation details, quantum and value of working of invention is very competitive and sensitive in nature. This kind of detailed information may compromise on business information and trade secrets of companies.  
3. **DEADLINE TO FILE FORM 27:** Instead of calendar year, the Statement of Working of invention should be filed for every financial year 31st March.  
4. **ENLIST REASONS OF NON-WORKING:** Conversion of patents into technology may require long time frame work and hence, during the intervening period the information will be nil and someone may seek compulsory license on account of non-working of patents. There should be distinct provision for sharing this kind of information. Therefore reasons for Non-working of an Invention can be enlisted in the Form such as Inadequate Capital Investment; Inadequate Technological Support; Inadequate Infrastructure; Inadequate cost; Inadequate effective labour; Unfavourable Environment; Social & Political Factors; Others factors.  
5. **REASONABLE PUBLIC REQUIREMENT:** Criteria is not properly defined. Various criteria’s like Commercial Scale; Fullest Extent that is reasonably practicable; adequate extent should be provided.  
6. **OTHER POINTS:** Form 27 should be designed for dealing with the situation where working of a patent may depend on other patents/products, for example in engineering applications  
7. **MISCELLANEOUS:** The form 27 should be computerized. (A draft “sample form 27” modified with comments is given) |
|   |   |   | yes |
| 8 | Tim Jackson Chair, CIPA Patents Committee, Chartered Institute of Patent Attorneys ('CIPA') London | IPR Professionals Association |   |
|   | Collecting data and filing Form 27 is administrative burden both to patentees and to the Indian Patent Office (IPO) itself. Has any study been carried out as to how much of this data is actually used by the public?  
Could the data be requested when a competitor applies for a compulsory licence, or at least less frequently than every year?  
There is a question as to whether Form 27 (clarified or not) is needed at all for India. India seems to be the only country that requires such statements of working for patents. This could be potentially damaging to innovation and investment in India. |   | yes |
• Certain aspects of Form 27 lack clarity and causes confusion amongst patentees to fill out Form 27. For example,
  o **Item (i) (b) of Form 27 requires the disclosure of the “quantum and value (in Rupees), of the patented product”**.
    ✓ This requirement is unclear where the granted patent involves just one module or feature incorporated into a number of **different complex products or process** e. g. mechanical and electrical inventions. Should the patentee disclose the sales figures for all complex products and processes that involve the invention?
    ✓ There can be a difficulty in cases where the **sales figures are confidential information** to a patentee, or where their disclosure is prohibited under the terms of a contract with a third party.
    ✓ Guidance notes will be welcomed to set out how the requirement can be met when part or all the information requested must be redacted..
  
  o **Item (iii) of Form 27 requires the patentee to “state whether public requirement has been met partly partly/ adequately/to the fullest extent at reasonable price”**.
    ✓ it is not at all clear on what basis this assessment is to be made and by what standard it is judged.
    ✓ Are patentees expected to provide some kind of statistical analysis in the field to be able to justify their response to this?
    ✓ It is difficult for patentees to state this on an official register without knowing what benchmarks are set by the Indian Government or the Patent Office for this.

| 9 | Anubha Sinha Centre for Internet and Society (CIS) India Delhi IP related Organisation | • Form 27 information is crucial for willing licensees to access patent working information in a timely manner.
• This requirement supports i) making the Indian population benefit from commercial use of the invention; ii). prevents patentees from creating blocking monopolies – from obtaining and maintaining patents for the purpose of blocking others from developing technologies in the vicinity of the patented inventions'; and iii). by showing that reasonable requirements of the public are met (or not),
• Despite circulars issued by Patent Office in 2009,2013 and 2015 to comply with their obligations to file statements of working on Form 27 so far have not yielded any significant progress, as patentees and licensees continue to not comply or defectively comply with the statutory requirements.
• Even among the Form 27s that had been obtained, almost none contained useful information regarding the working of the subject patents or fully complying with the informational requirements of the Indian Patent Rules. |
Many patentees simply omitted required descriptive information from their Forms without any explanation.

- Complaints have been raised by patentees and industry observers regarding the structure of the Form 27 requirement itself. For example, patents covering complex, multi-component products that embody dozens of technical standards and thousands of patents may not necessarily be amenable to the individual-level data requested by Form 27.
- However, these technical difficulties should not hinder the critical statutory requirement placed on patent holders to diligently comply with Form 27 compliance.
- In the context of licensing of SEPs, industry associations recommended that a modified and longer version of Form 27 (Form 27S) may be designed for SEP holders that should apply right at the filing stage. It has been specifically recommended that **Form 27 may be amended to include a new column, which may require the patent holder to declare if their patent forms a part of any standard and in case of affirmative answer – the name of the Standard Setting Organization and corresponding standard of which it is a part.**
- **We recommend that the form may be amended to make it more comprehensive and suitable for obtaining necessary information. The same information should be made publicly accessible, in order to satisfy the Indian citizen that the patent is being properly worked.**
- Attention should be given by Indian Patent Office’s to deficiencies in online Form 27 repository, for example, obscure filenames, inconsistency in search results found on IPAIRS.

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<tr>
<th>10</th>
<th>Hrishikesh Raychaudhury Corporate Law Group</th>
<th>Delhi</th>
<th>IPR Professionals Firm</th>
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<td><strong>The definition of ‘working’</strong> should be included in the Patents Rules, 2003</td>
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<td>Form 27 must seek information with respect to quantity of product only. Any requirement to furnish information on the <strong>value of patented product must be excluded from Form 27</strong> as Sales figures may be confidential in nature.</td>
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<td>Explanation to Form 27 3 (ii) must be added to state that <strong>details of “licenses and sub-licenses” would only mean details in respect of date and particulars of the licensees and sub-licensees.</strong></td>
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<td>Further, in case, the patentee has reservations in furnishing any detail, the same may be supported with reasons for consideration by the patent office. It is to be noted that Section 69(4) of the Patents Act requires the Indian Patent Office to <strong>keep confidential registered patent license agreements when accompanied by a confidentially request</strong>. Yet, Section 146 of the Patents Act</td>
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|    | yes | yes |
appears to require the Patent Office to publish the same information as reported through Form 27.

- At a minimum, the Indian Patent Office must exempt confidential or proprietary information from its annual working statement disclosures.
- Form 27 should be amended to require filing of working statements either by the Patentee or the Licensee.
- Provided where a Compulsory License is granted under Section 84 of the Act, it will be the responsibility of the CL holder alone to file Form 27.
- Form 27 is ambiguous on whether or not information in respect of sales of a patented product manufactured/marketed by multiple companies (particularly infringers) is permitted to be included by the patentee in respect of the given patented product.
- Patentee may, in its Form 27, include sales information of a product manufactured/marketed by multiple companies having different brand names but same Active Pharmaceutical Ingredient (API) covered by its Patent.
- Form 27 should require a composite information in respect of quantity of patented product worked in India in a given calendar year, whether manufactured locally or imported.
- The present Form 27 requires both manufacturing in India as well as importation from one or more other countries to show working of the Patent. Form 27 may be amended to read as under:
  “3. (i) The patented invention: …
  (b) If worked: Quantum of the patented product imported or sold in India…”
- Requirement of Patentee/Licensee to state whether public requirement has been met partly/adequately/to the fullest extent at a reasonable price must be deleted from Form 27. This is because, Statement of Public Requirement will always be subjective so would be the statement on reasonableness of the price.
- Rule 131A may be added as below for Enforcement of Section 122(1)(b)
  Rule 131A: Steps to be taken by the Controller in case of non-compliance of Section 146(2)
  i. In the event the patentee fails to file Form 27, the Controller may send a notice to the patentee to file Form 27 along with the prescribed information and comply with Section 146(2) within a period of ninety (90) days from the date of receipt of such notice by the patentee.
  ii. In the event the patentee files Form 27, but the information as furnished is considered as inadequate by the Controller, the Controller shall send a
notice to the patentee seeking reasons for the same. The patentee shall send its response to the Controller within a period of ninety (90) days. The response so filed as per clause (ii) above shall be considered by the Controller within 30 days from the date of filing of the response by the Patentee.

- Process patents must be removed from the ambit of working requirement and Form 27, since present Form 27 does not distinguish between product & process patent in respect of Working.
- Simplify Form 27 to require patentees to solely state whether or not a patent was worked in India, e.g., the patented invention was or was not: made, used, offered for sale, sold, or imported in India. The majority of disclosures required Present Form 27 under Section 146 are either unnecessary to determining if the patented invention is “worked” in India or are so vague that they are nearly meaningless.
- Patent Office should continue to exempt certain situations of non-working, i.e., regulatory delays or market conditions that would otherwise prohibit patentees from making, using, offering for sale, selling or importing the product in India.

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<tr>
<th>No.</th>
<th>Name</th>
<th>Location</th>
<th>IPA Submits that the following powers of Controller under section 146 is necessary and justified and should continue:</th>
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| 11  | Shri D.G. Shah | Mumbai | o Section 146 (1) : to call on patentees and licensees to furnish such information or periodical statements that may be specified on the extent to which a patent has been worked on a commercial scale for specified period(s),
  o Section 146(2) requiring the submission as prescribed (currently at annual periodicity in Form 27) by every patentee and licensee of statements on the extent to which the patented invention has been worked on a commercial scale in India and
  o Section 146(3) that the Controller may publish information received by under subsections (1) and (2) |

- The Patent Office may consider routinely digitising all Form 27 filings and placing them in a searchable database designed to permit convenient analysis and scrutiny by all persons.
- Rule 131: No change is required in the rule which specifies that the statement filed under S. 146(2) shall be filed in Form 27 for every calendar year, within three months of the close of the calendar year.
- Form 27: The Controller and Government should decide on what best serves their purpose, taking into consideration the
views of all stakeholders regarding the criticism from several quarters on the contents of the Form viz., Lack of clarity on what should be the definition of 'quantum' and on the manner of computation of value, Sl. No. 3 of the Form ('public requirement', 'met partly/adequately', 'reasonable price'), Confidentiality of commercial information relating to quantum, value and licensees,

- Section 122: IPA does not see any reason to modify the penalty provided under S. 122(1)(b)
- Administrative burden: It may be noted that the majority of patents would be in fields or for articles where their working or non-working are of no consequence to public health or public interest. The Controller and Government may wish to examine the possibility of reducing the administrative burden on themselves, without in any way compromising public health and public interest.

| 12 | Eri Honda(Ms.) Corporate Intellectual Property and Legal Headquarters Canon Inc., Japan | Industry | • Request a reduction of the burden on patentees and licensees in submitting a statement on the working of patents by **decreasing frequency of submitting a statement, for example, every three years.**
• Also the protection of trade secrets described in the statements.
Form 27 includes question items regarding grant of license(i.e." License Granted"," Licensee Name" and" Sub Licensee Name"). Needless to say, trade secrets are very important intangible property in corporate activities, and are also sources of competitiveness, Therefore, we would like to request that **question items regarding grant of license are deleted from Form 27.**
• In case this request is not accepted, we instead request such information to be kept undisclosed on the website of intellectual property India or any other places. | yes |

| 13 | Mylan Laboratories Limited Hyderabad | Industry | • Mylan submits that the requirements prescribed by the section 146 are justified and should continue as Mylan believes that the requirement of working of patent is important in order to achieve balance between promoting innovation in one hand and accessibility of invented product to the public at large at the other hand.
• **Section 146(2) :** Requirement that 'every patentee' and 'every licensee' shall furnish information regarding the working of the patented invention is ambiguous and creates confusion. This requirement will lead to submission of multiple statements (by patentee and by all licensees) on the working of the invention, wherein submitted information may be inconsistent. Hence, appropriate corrections should be made so that only one statement is submitted by the patentee/grantee for the working of one patent by collecting information in the context to working of the patented invention | yes |
from all the licencees.

- **Rule 131(2): Mylan believes that this rule does not need any changes.**

- **Form 27: Part (i)(b)(ii) of Form 27:** As per part (i)(b)(ii) of Form 27, one is required to submit country wise details of quantam and value of the patented product imported from other countries. Submitting such country wise detailed information becomes cumbersome and difficult; and accordingly, this section of Form 27 should be amended so that one has to submit an overall quantam and value of the patented product in India.

- **Mylan also believes that for manufacture of a product, if plurality of patents ought to be commercialized together, i.e., incorporated in a single product / process, then Form 27 requires amendment so that it would enable the patentee to incorporate a list of patents as annexure, and the same Form 27 could then be filed against all the listed patents.**

- **The part 3(iii) of the Form 27 requires that the details are to be submitted for whether the public requirement has been met at a reasonable price partly, adequately or to the fullest extent. More details/provisions should be provided for how to decide and differentiate between the terms 'partly', 'adequately' or 'to the fullest extent' in context to the meeting of public requirement at a reasonable price.**

- **Section 122:** This provision is too harsh to the patentee if he fails to timely submit the information. As this section or related rules do not provide any provision for extension of time. *Some provision should be made wherein, if patentee could not submit the information by 31st March, he can still submit it by paying extra fee. Form-4 may be modified and provision for late submission of Form-27 should be included in Form-4.*

- **Section 122 is inconsistent with the Controller’s power under Rule 137.** Further, if patentee fails or erroneously submits any incorrect information he should be able to get it rectified by filing the Petition under Rule 137.

- **Further, Mylan submits that the Controller may consider routinely digitizing all Form 27 filings and placing them in a searchable database designed to permit convenient analysis and scrutiny by all persons.**

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<th>14</th>
<th>De Penning &amp; De Penning</th>
<th>Chennai</th>
<th>IPR Professionals Firm</th>
<th>from all the licencees.</th>
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<td><strong>Rule 131(2): Mylan believes that this rule does not need any changes.</strong></td>
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</table>
the patent is for producing an intermediate and sale occurs for the final product

- it is equally difficult to even ascertain if the invention is implemented in India, or form abroad. So, in these instances, answering the question ‘manufactured in India’, or ‘imported from other countries’ is a further complication.

- **License agreement**: In the present day business situations, it is also not easy to determine whether a patent is covered by a broad technology license agreement entered into by a patentee with many of its global partners, particularly when one has a large or a substantial patent portfolio. In case of SEPs, where the number of licensees are sometimes so huge that it may be very difficult to list all of them accurately.

- **Section 122**: Against this backdrop that the patentee may be accused of providing false information with the resultant application of the penal position under Section 122 against him, when, in fact, the prevailing situation genuinely prevents him from submitting the information which is required of him, with any amount of accuracy.

- It will fully serve the purpose of the Act, if the patentee/licensee simply informs the Controller annually through the Form 27 as to whether or not his/her patent has been worked in India.

- Very stringent Form 27 regime is likely to act as deterrent for patent filing, as such, in India.

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15

i. Dr. Raj S. Davé
IPR Chair Professor for Excellence at Gujarat National Law University

ii. Justice Asok Ganguly,
Former Supreme Court Justice of India and Adjunct Professor at Gujarat National Law University

<table>
<thead>
<tr>
<th>Ahmedabad</th>
<th>Academician</th>
<th>FORM 27:</th>
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<tbody>
<tr>
<td>• Form 27 does not fulfill the intent of law and, is particularly ambiguous and unclear.</td>
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<tr>
<td>• To create a healthy environment in India for promoting R&amp;D, innovation and patenting, it is imperative for the Controller of the India Patent Office to modify Form 27 in a manner that the dual objectives of creating greater access to affordable medicine in India and promoting more innovation in India are simultaneously met.</td>
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<tr>
<td>• Form 27 should be redesigned to require pharmaceutical companies to provide data on patents related to drugs. The patents related to a drug would be any patent that covers the making, using, selling, offering to sell, or importing of a drug.</td>
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<td>The pharmaceutical companies are used to providing some or all of this information to the FDA; therefore, providing similar information in Form 27 should not be excessively burdensome to the pharmaceutical companies.</td>
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<tr>
<td>• Form 27 should ask for more information on drug related patents to create</td>
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</table>
the Green Book— a database to give generic pharmaceutical companies and the public a clear notice as to which patents are related to a drug.

- Form 27 should be amended to minimize disclosure requirements for, and the accompanying burden on non-pharmaceutical drug patent owners. The information required to be submitted for non-drug patents under Form 27 should be minimal—preferably none.

For non-drug patents, the only information that should be requested in Form 27 should be:

The patented invention is:
[ ] Worked [ ] Not worked [ ] Not known to have been worked or not worked (Tick √ mark the relevant box)

Attached is a proposed revised Form 27.

- For non-drug patents, Form 27 should include the option “Not known to have been worked or not worked.” However, if the patentee ticks off the option “Not known to have been worked or not worked,” then the patentee should be obligated to provide information within a certain period, upon written request the Controller or any public, on the working or non-working of the patent for which the option “Not known to have been worked or not worked” has been exercised. The failure to provide this information should result in the patent at issue, i.e., the patent for which the option “Not known to have been worked or not worked” has been exercised and information on the working or non-working of the patent not provided, to be held unenforceable for fraud on the India Patent Office. How should Form 27 address the issue where a patentee of a non-drug patent is genuinely not aware of which patents from a bundle of licenses are worked by the licensee?

Section 122: Penalties

- There is no need for criminal prosecution or punishment even if there is incorrect information in Form 27.
- The failure to identify a certain patent for making, using, selling, offering to sell, or importing a given drug should result in an “irrebuttable presumption” that the claims of the certain patent do not cover the given drug, and, thus, cannot afford the patent owner the right to exclude others from making, using, selling, offering to sell, or importing the given drug.
- If a patentee knowingly provides incorrect information on Form 27, then all patents listed on Form 27 and all related patents that claim priority to the
patents listed in Form 27, such as divisional patents, should be held unenforceable. (In the United States, the punishment for committing a fraud before the “USPTO” is unenforceability of the patent. Unenforceability of a patent is a draconian punishment, but it is required for fair and honest dealing with the Patent Office). The party that would suffer from providing incorrect information would be the patent holder itself.

<table>
<thead>
<tr>
<th>16</th>
<th>Leena Menghaney &amp; Priyam Lizmary Cherian</th>
<th>Delhi</th>
<th>Lawyers Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Delhi Network of Positive People2 and Medecins Sans Frontieres (MSF) – Access Campaign</td>
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</table>

(a) Form 27
- There are rationale for including certain more details to be furnished in Form-27.
- Proposed format for Form-27 for Pharmaceutical products is attached.
- Form-27 becomes a source of information of non-working of patent that will facilitate any compulsory license related action for early access to medicines.
- In the context of public health and medicines, the information regarding the extent to which a patent has been worked is of utmost importance.
- We submit that the duty to furnish statement on working of the patent, particularly in case of pharma products should be strictly fulfilled. This requirement help identify whether the patent is helping knowledge transfer and/or providing means to introduce innovative and life-saving pharma products in the Indian market.

Section 122
- Therefore, it is imperative that the Patent Office sets up an internal committee which would annually review whether the statement of working has been filed and take action on failure to comply with the requirement under Section 146.
- Further, the Patent Office may also consider taking cognizance of failure to file Form-27 on the basis of any complaint by any person who bonafide believes that Form 27 has not been filed. The Patent Office may thereafter give an opportunity to the patentee to respond to the complaint. After the hearing the patentee, the Patent Office may make decide to order payment of fine as under Section 122(1) (b) of the Patents Act.

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<tr>
<th>17</th>
<th>DR. P. Ganguly Vision- IPR</th>
<th>Mumbai</th>
<th>Patent professionals Firm</th>
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<td>Form 27</td>
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<tr>
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<td>- The requirement of &quot;Working of Patents&quot; as per the Indian Patents Act should be retained and the same should not be compromised under any circumstances.</td>
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<td>- Present format of Form 27 is totally outdated and the same should be changed in terms of the information that is asked for from the patentees.</td>
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<td>- The concept of &quot;One Patent - One Product&quot; has lost its relevance in the</td>
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It should be appreciated that in today's world a product is often protected by a portfolio of patents. Hence, Form 27 should reflect such a business reality.

- Details of whether the product is manufactured in India or the process is followed in India is irrelevant, since it is no more mandatory to have the product manufactured in India even for the purposes of Section 84 of the Act. Therefore it should be sufficient to ask for details of working in terms of whether the product and/or process is being used to market the product in India.
- It should not be expected to indicate the amount in quantity and/or value of the marketed (i.e. worked) product based on the portfolio of patents.

- The applicants should be provided with an opportunity to file the working of patents even after the due date with a petition (with some prescribed fee).
- Commercial value of a patented product is very difficult to calculate and it is highly confidential data and there are many practical difficulties in obtaining the commercial value of a patented product in India.
- Companies with hundreds of granted patents sometimes they find it difficult to find which patent is used in which product or services.
- Companies are also averse to share the details of the licensee and sublicensee names because these details are highly confidential information, and they would not want these details to be readily available to the public.

- Existing Form 27 requirement has become redundant, burdensome, hampers ease of doing business, makes commercialization of patented invention more difficult and is not aligned to international best practices.
- There is thus an urgent need to remove section 146 (working statement requirement from statute book). While, such a change in the law may take some time, meanwhile, may we request patent office to consider updating the Patent Rules and amend ‘Form 27’ in the following manner befitting the emerging technological fields.

i. Portfolio Licensing:
The existing working statement is required to be filed individually for each patent, which might suit in case of pharmaceutical inventions but not for ICT sector. Existing Form 27 is based on presumption that one product is equivalent to one patent. However, such a model is non-existent in ICT sector where one product is not based on one patent but is actually covered in portfolio of patents and such portfolios are owned by different Patentees. There may be cases where the patent portfolio, of which the patent in

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<th>No.</th>
<th>Name</th>
<th>City</th>
<th>Organization</th>
<th>Details</th>
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</thead>
<tbody>
<tr>
<td>18</td>
<td>Mr. Haneesh Epiphany IP Solutions Pvt Ltd.</td>
<td>Bangalore</td>
<td>IPR Professionals Firm</td>
<td>- The applicants should be provided with an opportunity to file the working of patents even after the due date with a petition (with some prescribed fee).</td>
</tr>
<tr>
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<td></td>
<td>- Commercial value of a patented product is very difficult to calculate and it is highly confidential data and there are many practical difficulties in obtaining the commercial value of a patented product in India.</td>
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<td>- Companies with hundreds of granted patents sometimes they find it difficult to find which patent is used in which product or services.</td>
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<td>- Companies are also averse to share the details of the licensee and sublicensee names because these details are highly confidential information, and they would not want these details to be readily available to the public.</td>
</tr>
<tr>
<td>19</td>
<td>Dipankar Barkakati</td>
<td>Delhi</td>
<td>Industry Association</td>
<td>- Existing Form 27 requirement has become redundant, burdensome, hampers ease of doing business, makes commercialization of patented invention more difficult and is not aligned to international best practices.</td>
</tr>
<tr>
<td></td>
<td>Additional Director &amp; Head IPR &amp; FICCI</td>
<td></td>
<td>CASCADE Federation of Indian Chambers of Commerce and Industry</td>
<td>- There is thus an urgent need to remove section 146 (working statement requirement from statute book). While, such a change in the law may take some time, meanwhile, may we request patent office to consider updating the Patent Rules and amend ‘Form 27’ in the following manner befitting the emerging technological fields.</td>
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| 20  |                                           |                   |                                                   | yes                                                                                                                                                                                                 |
| 21  |                                           |                   |                                                   | yes                                                                                                                                                                                                 |
questions is a part, is huge and thus all numbers cannot be provided.

Solution proposed:
(a) Provision should be there in Form 27 for single statement for multiple patents. Instead of providing the numbers of all patents being worked together, a simple statement may be given stating that the patent is worked not singly but in a portfolio, and details of all such patents can be provided when asked for or
(b) Specifying that the single patent forms a part of the portfolio license.

ii. Existing requirements impinges upon Confidentiality:
Under a Licensing model, the IP owner is under a contractual obligation to keep important business data concerning licensees as confidential. Form 27 impinges upon that “confidentiality obligation” required to be maintained by licensor and licensees alike.
Any such disclosure in Form 27 with regard to commercial arrangements shall seriously prejudice interests of licensee as well as licensor. Such information may be misused by unwilling licensees to gain competitive advantage over willing licensees. This can also be misused by unwilling licensees to get this important data out in public domain. This will increase litigation costs substantially where IP owner will be sued by licensees for the breach of confidentiality or for not been able to secure confidential business information such as sales figures, anticipated revenue/profit. This will threaten businesses, hurt global licensing model and will potentially chill innovation cycle.

It may be noted that-
- Indian courts have ordered “confidentiality clubs” so that confidential information on licensing terms and other information such as claim charts may not be disclosed.
- Proviso to Section 69(4) mandates non-disclosure of registered PLAs when accompanied with a confidentiality request at the time of such registration through FORM 16.

Solution proposed:
(a) The working statements ought not mandate the disclosure of amount of revenue or license fee earned by working a patent. Thus, patentees should be asked to provide such information only if a specific request is made by patent office and that too under a confidentiality arrangement.
(b) Further, while the requirement of notifying whether worked through manufacturing or licensing or by importation could be retained, the requirement for providing quantum and valuation needs to be removed.

iii. Filing requirements increases burden of compliance and substantial work
load and Paper work:
Filing of Form 27 for all patents is mandated every year even for those patents for which the working statements have been filed the previous year. This increases immense pressure on IP owners and also impacts Ease of Doing Business in India.

Solution Proposed 1:
There should be two sections of the Form, one for first time filing (for patents granted within the last three years) and another section for those cases where the working statement had already been filed in the previous year and being continued. There might be a sub-section in this section for those cases in which the mode of working has changed (e.g. from Manufacturing to Licensing).

Solution Proposed 2:
It is suggested in the multiple options (in range form) in the Form, for entering the value of quantum of goods sold as well as for the revenue achieved by the Patentee during the financial year.

iv. Difficulty in determining whether the patented invention has been worked or not:
There are sometimes large portfolio of patent applications that are pending before the Indian patent office and in respect of patents granted to the patentees worldwide, and an equally large portfolio of products developed and sold in India and abroad. Thus, the patentees often find it extremely difficult to provide extensive details of how the invention of a given patent has been worked in India in all the products of all its licensees. Moreover, this practical difficulty is aggravated in a situation where patented invention(s) is/are being worked by licensee(s), especially those having worldwide sales in many jurisdictions. For licensees having huge scale of operation in each jurisdiction, it would be difficult to estimate which of the licensed patents are being used in products available in each jurisdiction, and also apportionment of each licensed patent being used in the product.

Solution proposed:
Therefore, in case Form 27 is mandated, the Applicant should be allowed to file a simple FORM 27 indicating whether an invention has been worked or not along with providing exemplary details AND NOT EXHAUSTIVE. Further, a patentee can only provide details of adequate working and affordable pricing from its perspective and also the feedback received in general. Thus, a patentee ought to be permitted to aver that we have not received any feedback from anyone in India that the patented invention is not available in India adequately or at affordable price.

- There should be no deadline to file Form-27
<table>
<thead>
<tr>
<th>Agents Firm</th>
<th>21</th>
<th>O.K.Tara - Manager IP&amp; PPV NSL</th>
<th>Hyderabad</th>
<th>Suggested inclusions in Form 27:</th>
</tr>
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<tr>
<td></td>
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<td>• Complete particulars of the parties, licensees, sub-licensees including address, email, phone numbers etc., who practiced the subject patent in India during the year.</td>
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<td>• Particulars of new parties, if any, approached during the year for the subject patent license.</td>
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<td>• Have you denied the license of the subject patent to anyone? If so state the particulars of the parties and the grounds/reasons with particulars for denial.</td>
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<td>• State whether the revenue particulars provided for the subject patent also involve any other product or process patents granted in India including cross licensing of patents.</td>
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<td>• Whether the patent is also commercialized outside India, If so pricing particulars in other countries and Indian pricing</td>
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<td>a) whether pricing in India is it at equitable level, give particulars</td>
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<td>b) Justify in the public interest how it is reasonable pricing in India</td>
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<td>• Justify whether the patentee complied the principles laid down under Sec.83 of the Patents Act, 1970.</td>
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<td>• State the particulars of field of invention and industry(ies) practicing the patent.</td>
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<td>• In working of patents, whether the patentee is not claiming the product / process outside that the claims granted under the patent.</td>
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<td>• If patent is licensed, describe what was provided to the licensee to license the patent.</td>
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<td>• Provide the particulars of infringement proceedings, if any, filed during the year against the subject patent.</td>
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</tbody>
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<thead>
<tr>
<th>Agents Firm</th>
<th>22</th>
<th>Gopakumar Nair Associates</th>
<th>Mumbai</th>
<th>Section 146 and Rule 131 may be retained as such, without any amendments.</th>
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<td>• Form 27- we suggest as follows;</td>
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<td>i) Under paragraph 3(i)(b)-</td>
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<td>If worked: quantum and value (in Indian Rupees), of the patented product, The following criteria may be adopted to declare the values:</td>
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<td></td>
<td>(a) If manufactured in India</td>
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<td></td>
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<td>o The invoice value excluding taxes and other levies may be declared as such</td>
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</table>
against the quantum of sale. While the quantum of sale/ number of units is quantitative, the value may vary invoice to invoice, total of which may only be declared.

- The total net value of invoices for the calendar year may be declared, if manufactured in India.

- Declaration on ex-factory costs basis or on any other criteria (other than invoice value) may not be verifiable.

(b) **Imported from other countries. (give country wise details):**

- Net import value in relevant foreign exchange country-wise converted into Indian Rupees on prevailing conversion rate may be declared for imported consignments (The declared value needs to be NET of all levies and handling charges).

- It is suggested that such declaration may be counter-signed by chartered accountant.

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| 23 | H. K. Acharya & Company, Ahmedabad | IPR Agents Firm | 1. **Working of Patented invention requirement should not be viewed with respect to healthcare point of view only.** The working requirements which are going to be imposed by the amendment in Form 27 would be effective to all technical fields.

2. **If the invention is not worked,** then in that case along with asking for reason for non-working, **the facility should be provided to the patentee whether the patentee wished to display his patent on list which shows about PATENT OPEN FOR LICENSING.** This will encourage the Patentees who are not able to make the invention workable by themselves.

3. It is important to define whether the patent is for **product or process.**

4. According to our opinion one of the reasons for not filing working statement is that Patentee/ Licensee does not wish to disclose their **confidential information.**

5. **“Value” of the patented article:** In the case of product patent (e.g. mechanical product patent) it may possible that only part of the whole product is patented. Hence, it is not possible to provide "value" of the patented part and providing "value" of whole product is also not correct. Even for the pharmaceutical patent i.e. NCE / composition patent, the term "value" is very vague as the patent might not relate to finished product that the customer buy from the market.

Hence, we believe that the "value" requirement varies case to case so on receiving demand from the third party the Controller should scrutinize the demand and ask for specific information from the Patentee as he deems to fit.
LICENCE AND SUBLICENCE INFORMATION

6. Following information should be asked if license has been issued:
   - Name of the Licensee/Sub-Licensee
   - License date
   - License duration
   - Type of License i.e. manufacturing, selling, marketing, importing, packaging or any other
   - According to the License Agreement whether or not licensee is having duty to submit Form 27?

   We are strongly in favour that Patentee/Licensee should have reservation of right to disclose confidential terms of the agreement with the Patent office.
   Such confidential terms would only be disclosed when the dispute arises.

ONE PATENT ONE PRODUCT

7. We strongly do not favor that working requirement should capture all potential manifestations of the patent i.e. the patentee should disclose all the technologies, applications and product where the patent is so deployed or used.

   U/S 10 (a) (a) it is mandatory that specification must fully and particularly describe the invention and its operation or use and the method by which is to be performed. Hence, application i.e. use of the invention is mentioned in the complete specification. So, there would not be any doubt about the final product in which the invention is used.

   Considering these it would be sufficient to provide information about product in which the Patented product/process is used rather than providing all the technologies, applications and product where the patent is so deployed or used.

DEMAND

8. Whether public requirement has been met partly/adequately/to the fullest extent, at reasonable price.

   a) "Reasonable Price" of the pharmaceutical/biotechnical drug should be in purview under the 'National Pharmaceutical Pricing Authority''. For the other technical field it should be decided on case to case basis.

   b) Regarding meeting the demand of the invention/patent the burden should not be on the shoulder to the Patentee. One has to keep in mind that alternative products are available in all the technical fields.

   C) Further, the treatment with the drug is supervised by Doctors and requirement and type of the drug varies patient to patient and stage to
Considering all these it would be better if the patentee has leverage to provide information about the number/information of similar product/alternate product available in the same technology.

**NO NEGLECTFUL CONDUCT**

9. We also strongly believe that the patentee should not demonstrate the **NEGLECTFUL CONDUCT** as far as India is concerned. In that case on receiving demand from the third party, the Controller may ask for the foreign patent working data.

<table>
<thead>
<tr>
<th>24</th>
<th>Suman Kumar Bhattacharya</th>
<th>Hindustan Unilever Ltd.</th>
<th>Mumba...</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Form 27</strong>: simplification of Form 27 required</td>
<td>while strictly adhering to the statute (Section 146) in the following ways:</td>
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</table>

i. **Point No. 3**

starts with a statement “Give whatever details are available”. This statement is vague. It creates an impression that all the other sub-points under Point 3 are optional at the discretion of the patentee. This is in contravention to Section 146(2) wherein it provides the mandate that the patentee should provide a statement that satisfies the “extent of working”. Therefore, Form 27 needs to be amended and simplified for better compliance.

ii. **Point no. 3 (i)(a):**

Patentees are asked to submit the **reasons for not working if the patent in question has not been worked**. This question contravenes Section 146(2). According to said Section only “extent of working” is required NOT the extent or the reason(s) of non-working.

The question puts an undue burden on the Patentee to find out why a particular patent is not worked. It is not always possible for the patentee to find out the true reason despite best efforts on the part of the Patentee. However, as the question is included in the Form, the Patentee cannot avoid answering it. Therefore, **to make it simple at the same time adherent to Section 146**, this part could be removed from Form 27.

iii. **Point no. 3 (i)(b)**

It is asked to provide the **quantum and the value of the patented product**. The term “quantum” is vague and we suggest that the term be replaced by something more meaningful and easier to measure/ascertain on the part of the patentee. If it is not possible to replace the term with any other suitable and more appropriate term, then we suggest that the Controller should
formulate some Guidelines which would clarify this.
Furthermore, we suggest the term “value” be replaced by something more concrete, meaningful and which can be easily ascertained by members of the public and at the same time adhere to Section 146 regarding extent of working. This whole thing become very complex and not accurately determinable when more than one patent relates to a single product or vice versa. Therefore, we suggest inserting a word e.g. “approximate” before the terms quantum and value (price) would give all Patentees some degree of relief.

iv. Point 3(i)(b)(ii):
Form 27 also seeks information which is significantly more than necessary. We respectfully submit that it should be sufficient to know whether the working was by manufacture in India or by importation or by both. We genuinely believe that it serves no meaningful purpose to call for country-wise details of importation. Hence, we suggest this point should be removed from the Form.

v. Point 3 (iii):
It asks every Patentee to state whether the public requirement has been met partly/adequately etc. From the point of view of any Patentee, it is but obvious that the Patentee would state that the requirements have been met to the fullest extent at reasonable price. The term reasonable price is inextricably linked to the product being sold. The price that is reasonable for a product A may not, and need not be reasonable for another product B. Usually consumer products are priced differently based on the profile of the expected consumers and the features that are offered through the product. Moreover, these are not required by section 146 (2). Hence The point no. 3 (iii) of Form 27 is superfluous and needs to be removed from Form 27.

vi. Sec 122
Other than pecuniary penalty in the form of fine, imprisonment is also mentioned as one of the punishments under Section 122(2). We believe is way too much for the kind of information involved under Section 146. This should be relooked and handled appropriately.

vii. Rule 131
As Rule 131 just lays down the procedure (form, timeline etc.), we do not have any comments.
However, on procedural part of submission of Form 27 online, bulk upload option needs to be considered and enabled. Currently, the patentee (for each
individual patent) has to fill up the details in the online system at the same time also needs to attach the hard copy of the Form along. This amounts to dual work. **Therefore, it is required that the Patent Office should consider the possibility of making this better and reduce the burden on the patentee to comply with the requirement of Sec 146 and Form 27.**

| 25 | Matthew ROSE  
(matthew.rose@huawei.com)  
Senior IP Counsel  
Huawei Technologies Co Ltd | China | Industry | **Form 27**  
Huawei believes that the current Form 27 should be streamlined to reduce the burden on the patentee.  
Specific suggestions include:  

i. remove the questions which impose a high burden on the patentee, particularly the requirements as to quantum and value  
ii. remove the question which imposes a near impossible burden on the patentee, i.e. the question “whether public requirement has been met partly/adequately/to the fullest extent at reasonable price”.  
As the patentee does not have access to the whole market information, it is not possible for the patentee to state with absolute confidence whether the extent to whether any public demand has been met. In any event, the “demand” is for the “complex product” which is not the same as the “patented product”. For similar reasons, it is also difficult to assess what is a “reasonable price”.  
iii. Remove the questions on licencee sales data:  

each individual licence may not provide for the collection of the data at this level of granularity (e.g. in the case of a royalty-free licence, or an upfront licencing or bulk fee) and as such has no means to compel a licencee to disclose such data. Further, various terms of the licence may be deemed confidential, disclosure of which may constitute breach of the licence.  
iv. “working” may include importation, as per the decision of the IPAB in Bayer Corporation v. Union of India and in accordance with TRIPS Article 27(1).  
It is not realistic in a globalised economy with multi-country supply chains to expect a patented product to be manufactured wholly in one jurisdiction. If it were so, it would be extremely disruptive, with various undesirable outcomes including potentially raised costs for consumers due to the development of cottage industries for local manufacture in each jurisdiction with an adjunct loss of economies of scale.  
v. Guidelines  
The patent working procedure would benefit from updated official
guidelines which illustrate what is acceptable, whilst balancing what is actually possible in a commercial context for each respective industry. One specific suggestion would be acknowledging that patent to product mapping is different for different industries, and that a one size fits all form is not suitable.

Inkollu Sreenivasa Murthy

Recommendations:

i. Since no compulsory license is granted in the first three years after the grant of the patent, it is not warranted to seek statement of working during this period. At the most, it can be made optional. Suitable amendment may be made to the respective Rules.

ii. Form-27 should be simplified to promote compliance. Following amendments to Form-27 are suggested:

a. Only seek information whether a patented invention is "worked" or "not worked".

b. The requirement to provide reasons for not working and steps being taken for working the invention should be made optional/voluntary. In fact, it will be in the interest of the patentee to provide such information.

c. In certain technological areas where patent portfolio licensing is commonly practiced and licenses and sub-licenses are granted to multiple parties, it may be extremely difficult to know which patent has been worked or not worked. There should be a provision in Form-27 to accommodate such a scenario.

d. Other provisions of Form-27 such as disclosing the "quantum and value", providing details of "licensees" and "sub-licensees", should be dropped from Form-27. Controller to seek information from patentee under Section 146(1) when a third party notifies its intent to apply for compulsory license

e. The provision in Form-27 requiring patentee to state whether public requirements has been met partly/adequately/to the fullest extent at reasonable price should be dropped from Form-27. This is a very vague requirement which makes the compliance extremely difficult. There is no guidance on the basis of which the patentee would be required to make such statement. At the minimum this would require a market study by patentee every year to make such statement, which is highly burdensome.

Mark Lauroesch

Recommendations:

i. IPO suggests removing the working requirement and its supporting statement altogether from existing law for the benefit of domestic and
Association (IPO)  

foreign owners of Indian patents alike.

ii. **We suggest removing the working requirement altogether from existing law, since** documentation in support of the working requirement requires the public disclosure of confidential business information that is detrimental to the interests of the patent owner. And failure to submit a “working” statement can result in harsh civil and criminal penalties.

iii. **Although we suggest Form-27 should be withdrawn, below we address the issues regarding Lack of clarity and non-compliance by patentees/licensees of Form-27.**

- Form-27 should be amended to remove the “value” portion of the requirement related to providing the “quantum” and “value” of the patented products manufactured in India and imported from other countries.
- Further, for the remaining portion of the requirement, *i.e.*, for the quantum, the requirement should be satisfied by completing one of a set of prescribed numerical ranges (for example: less than ___; between ___ and ___; greater than ___) for the “quantum” as opposed to a precise unitary number. This approach helps alleviate patentees’ concerns where precise financial figures are not available or are subject to confidentiality obligations, while also providing the Office with a tangible indication of the extent of the patent being worked in India.
- Licenses often cover multiple patents related to a certain technology field. Under such arrangements, the individual value of a patent is oftentimes not available to the patentee.
- Therefore, providing numerical ranges for “quantum” of the patented products manufactured in India and imported from other countries and not requiring exact value figures would contribute to a better and more holistic assessment of the extent of a package of patents being worked in India, and would also reduce associated administrative burdens.
- The requirement of disclosing information regarding the extent to which the public requirement has been met and reasonable pricing should be removed. This information is generally subjective and it is very difficult to identify an amount supported by objective data.
- Our current understanding is that Form-27 does not require disclosure of license terms, but we wanted to make clear that we believe any requirement to disclose the terms of the license/sublicense, beyond identifying licensees/sub-licensees and working information, would
**create substantial issues for licensors and licensees**

**iv. Rule 131 of the Patent Rules**

It provides that “The statements shall be furnished by every patentee and every licensee.” The word “and” should be changed to “or”, as it would be redundant to have the same information furnished by both patentee and licensee, leading to unnecessary administrative burdens.

<table>
<thead>
<tr>
<th>Request: Abolish the system of submitting statements on the working of patents, for the following reasons:</th>
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<tbody>
<tr>
<td>a) It is an excessive burden to patentees who own many patents or licensees to investigate the condition of working of patents to prepare information necessary for the submission of a statement on the working thereof. Foreign companies who are forced to bear an excessive burden to maintain the patents, may refrain not only from filing applications in India but also from investing in India, such as establishing research and development bases.</td>
</tr>
<tr>
<td>b) PDF files of statements on the working of patents submitted by applicants under Section 146(3) of the Patents Act are published in the IPO India website. Most of the descriptions in the statement are companies' trade secrets, such as sales quantity, price and license information. For patentees and licensees, disclosure of such information to their competitors may cause loss of their competitiveness in their future businesses.</td>
</tr>
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</table>

- Therefore, we would like to abolish the system of submitting statements on the working of patents.
- If it is impossible, we would like to request that descriptions should be removed from statements on the working of patents (including trade secrets, in particular sales quantity, price and license information (License granted (Yes/No), and Licensee name),
- If both requests are not accepted, we would like to request these descriptions are kept undisclosed in the statements, or to allow the descriptions to be undisclosed upon appeal as with the license registration system.

<table>
<thead>
<tr>
<th>28</th>
<th>Osamu IKEMURA</th>
<th>Japan Intellectual Property Association &quot;JIPA&quot;, Japan</th>
<th>Industry Association - Japan</th>
<th>Request: Abolish the system of submitting statements on the working of patents, for the following reasons:</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>Yoshinobu Noda</td>
<td>Vice Chairperson</td>
<td>Industry Association</td>
<td>New Delhi</td>
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determination after appropriately sharing burden of proof. It is unnecessary and imposes an undue burden to require all patentees to disclose their information. Therefore, the entire working statement system should be abolished in the future.

ii. Amendment of 131(2) of the Patent Rules (as an interim measure until the abolition)

As it is originally sufficient to ask patentees to furnish their information when an application for a compulsory licence is filed, the Patent Rules should be amended to remove the timeline for filing the statement, which is within 3 months of the end of each fiscal year. The amendment does not contradict the intervals of 6 months stipulated in the Patent Act.

iii. Modification of Form 27 (as an interim measure until the abolition)

As we assume that it is difficult to amend the Patent Act, we would at least like to request the following modifications in Form 27

i. It should be clearly mentioned that partial information of the extent of commercially working in India has been disclosed by the Form 27.

Or, the option that patentee/licensee can mention the disclosed information could be partial information shall be added in Form 27.

ii. It should be clearly mentioned that it discloses the number of the patented inventions worked by the patentee itself (in case of working statement by patentee) or the licensee itself (in case of working statement by licensee).

iii. The declaration should be removed regarding the reasonable requirements of the public (Removing Paragraph 3. (iii) of Form 27).

| 30 | K & S Partners | Gurgaon | IPR Professionals Firm | Section 146(2) imposes an onerous annual filing requirement on patentees which produces no beneficial results and serves no public purpose in reality. | Form 27 must be simplified. The patentee could be required to submit, under confidentiality, whatever information is available with him regarding the commercial working of a given patent without the burden of stating whether the public requirement has been met partly, adequately/to the fullest extent at reasonable price. This is impossible for a patentee to assess. | Ideally, the patentee could simply be asked to state whether the patent has been worked or not worked without disclosing any confidential information. | In case a third party approaches the IPO for a CL of a particular patent, the Controller could simply use the power under Section 146(1) to seek such | yes | yes |
information from the applicable patentee.
- Patentee should be allowed to explain the extent of working rather than filling predetermined columns giving numbers which are difficult to ascertain in many cases.
- Form 27 comes in public domain the moment it is filed and uploaded on IPO website. Therefore, confidential data relating to commercial activities such as value of patented product should not be required to be disclosed in Form 27.

Form 27: needs to be amended to serve the purpose - to make the public aware of the patents that are commercially worked/ not worked in India. to provide an opportunity to any interested person to obtain a license or collaborate with the Patentee/its Licensee and to help to understand how efficiently various industries use patent system in the business.

**Form 27 may be amended as follows:**

1. **Quantum & value of the patented product**
   - the requirement to provide the number and value of the worked Patent may have to be reconsidered. Difficulty in providing the quantum and value of information may be considered. It should be sufficient to file a declaration by the patentee whether the Patent has been worked in India or not.
   - **Quantum and value of the patented product worked in India may be provided where the extent of working of patent is required to be ascertained in specific instances, for example when there is an application of a compulsory license.**

2. **Import / manufactured in India**
   - In case where the patent is worked, the Form 27 should be made simple to show whether it is by way of Import from other countries or Manufactured in India. In other words, Form 27 should include check marks for import and manufactured in India.

3. **Extent of working of patent**
   - The terms partly/adequately/to the fullest extent worked in India is not defined in the Act and are not definitive. Requiring such information may not be relevant to ascertain the Working of Patent as even if the invention is worked partly, it should be considered as “worked”.
   - It may be difficult to devise the extent of working for different industries. The extent of working of patent would arise only in cases of application of compulsory license where the Patentee must prove that the patent has been worked adequately.
   - Therefore, such information should not be kept as mandatory information that needs to be submitted on Form 27. It may be considered that instead of requiring such information in all cases, the Controller may require the
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<tr>
<td>32</td>
<td>Dr (Mrs ) S BANERJEE L.S.Davar &amp; Co</td>
<td>Kolkata</td>
<td>IPR Professionals Firm</td>
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<tr>
<td>a.</td>
<td><strong>FORM 27 should be simplified as under:</strong></td>
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<td>• The Patented invention from other sectors like technology (apart from Patentees of Pharmaceutical inventions) which involves different components it is always difficult to identify which of those Patented components require a working statement.</td>
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<td>• It becomes a tedious job for the patentee or licensee to determine the amount and value of their patented inventions in respect to global market.</td>
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<td>• There is no uniform or standard method for determining public demand e.g. for components or subcomponents incorporated into larger or composite products, it is not possible to identify the public demand for a patented subcomponent separately.</td>
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<td>b.</td>
<td>There are no guidelines from Patent Office for submitting Form 27. Thus, reason for not working vary from case to case.</td>
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<td>c.</td>
<td>In the preview section of <strong>e-filing of Form 27</strong> the details submitted by the Patentee is not visible as the Form is electronically generated.</td>
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<td>d.</td>
<td><strong>Data regarding the working statement of Patented invention regarding year 2014, 2015, 2016 is not updated</strong> by the Patent Office which creates lot of inconvenience for the Patentee or Licensee to find whether their information regarding working of their Patented invention are uploaded or not or others.</td>
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<td>e.</td>
<td>If there is pending of Form 27 from the Patentee or Licensee before the deadline then <strong>there should be an email alert</strong> to be sent from the Patent Office to the authorized agent or to the address for services in India.</td>
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**Patentee to provide such information on case by case basis.**

4. **Publication of information on Form 27**
   In view of the Delhi High Court order on Working of Patents dated January 10, 2017, Form 27 information has to be restricted only to information that can be made public.
   Confidential information that may affect the business of industries should not be required to be included in Form 27 – quantum and value especially.

5. **Online Form 27**
   Online Form 27 should be made consistent with PDF Form 27 and filing of PDF Form 27 should be avoided to simplify the process. The drop list options and selection options on online Form 27 should be relooked. The electronic Form 27 (print version) does not reflect all the selections made on online Form 27. There is no option in online Form 27 to include the Quantum only (without the value in Rupees).
stated whether only local manufacturing amounts to working of patents or import of the patented invention is sufficient to say that the patent is worked. It is also not clear whether in cases where a patented invention is offered for sale on e-commerce sites or the e-webshops of the patentee, the patented invention is considered to be worked.

- It is also not clear about the working of the patents which claim intermediate products which are used in the manufacture of a different marketable product, or the products/processes which are intended to be used internally in the premises of the patentee for making said intermediate products.
- There is no explanation in the Act about the reasonable requirements of the public. Please illustrate, with examples, as to in which cases the requirement is said to be met partly/adequately/to the fullest extent.
- In cases where the public requirement is difficult to determine due to nature of the invention, there is no guidance as to what should be written in the Form-27 regarding the public requirement.
- In cases where the quantum and/or value of the patented product is difficult to determine due to the nature of the invention, please clarify what should be submitted in the Form-27.
- The portal for the submission for Form-27 does not provide for a separate option to submit a Form-27 for licensees
- There is no guidance in the Act to determine what is a reasonable price for a patented invention.
- Please provide guidance whether a POA is required to be filed while submitting the Form-27 for a licensee.
- It is not clear whether a patentee is required to submit a Form-27 in case the patented invention is worked only by the licensee.
- In case the patented invention is partially manufactured in India and partially imported in India, there is no option to fill details of such situation in e-filing portal of the Indian Patent Office.
- There is a possibility that a patented product can be imported from more than one country, however, there is no option to select more than one country in e-filing portal of the Indian Patent Office.
- In case of importation of product, the field in e-filing portal reads as “Total Value of Patented product in other country”, however it should be “Total Value of Patented product imported in India from other country”.
- As per Form-27 prescribed by the Patents Act, if invention is worked quantum and value of the patented product is required to be provided. However, in e-filing portal total value of patented Product commercially worked in rupees is asked. There is no field for quantum of the patented product.
- Please clarify whether a scanned copy of Form-27 can be submitted if the
<table>
<thead>
<tr>
<th>34</th>
<th>S. Partsarathy, Laxmikumaran &amp; Srihdaran</th>
<th>Bangalore</th>
<th>IPR Professionals Firm</th>
<th>Problems/Difficulties in submission of Form 27</th>
<th>yes</th>
<th>yes</th>
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<tr>
<td></td>
<td>1. Problems/Difficulties in submission of Form 27</td>
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<td>a. Section 146 from which the working statement requirement stems, is outdated.</td>
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<td>b. Form 27 has remained the same and has not been amended even once to take into account the technological advancement that has taken place in these 45 years.</td>
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<td>c. No such requirement exists in any other jurisdiction. Neither are such requirements mandated through TRIPS. Considering that adequate mechanism already exists in the Act for keeping a check on the patentee, the overall utility of the working statement is reduced.</td>
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<td>d. Since the working statement contains sensitive license information which is confidential, publication of details from the working stamen leads to violation of the confidentiality requirement.</td>
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<td>e. This is likely to expose the patentee to the risk of misuse of such information by its competitors to create adverse market conditions, or may lead to unnecessarily initiate frivolous proceedings for revocation or public interest litigation.</td>
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<td>f. Neither the IPO has the resources or the skills to analyze trade related information in Form 27, such as quantum and value of the patented product manufactured in India or imported to India nor does the Act prescribe the mechanism based on which such assessment is to be conducted.</td>
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<td>g. The proviso to Section 69(4) mandates non-disclosure of registered patent license agreements when requested. However, such information is published along Form 27 which runs contrary to the aforesaid provision which operates to keep such information secret.</td>
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<td>h. Most of the above issues can be addressed by doing away with certain requirements listed in Form 27 without impacting the scope of section 146 or rule 131.</td>
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<td>2. Form 27- Changes suggested</td>
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<td></td>
<td>a. Column 3(i) of Form 27- to be made simple requiring the patentee</td>
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to only state whether the invention has been worked or not.

b. Column 3(i)(a) of Form 27 – reasons for not working to be removed.

c. Column 3(i)(b) of Form 27 – to be removed.

d. Column 3(ii) of Form 27 – may be retained. Any obligation to disclose or provide the license agreements should be dealt away with.

e. Column 3(iii) of Form 27 – to be removed as this requirement is too vague and subjective, in addition to being extremely difficult to answer.

f. IPO can also consider removing the requirement all together, since there are other provisions which ensure that patent rights are not abused by the patentee, for instance *Section 64 (Revocation of Patents), Section 66 (Revocation of Patent in Public interest), Section 84 (Compulsory Licenses), Section 85 (Revocation of Patents by the Controller for non-working), India, like other countries,*

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**Manisha Singh**

Managing Partner, Lexorbis IP Attorneys

**Delhi**

IPR Professionals Firm

1. **Definition of “working”:**

The term “working” is not defined in the Patents Act and, therefore, has been subjected to several interpretations. For many industries, local manufacturing of patented product may not only be impractical but may be impossible due to unavailability of capacities and skills. Hence, *the term working of patent may be notified in appropriate manner to include “importation” of patented products or products made by patented process.*

3. **Impracticality in collecting necessary working information by certain industry:**

The format prescribed for submitting the statement (Form 27) presumes that each granted patent results in the production of one or more product(s) and therefore the patentee can keep a track of the quantum of production and the sale of such products in India. The reality is far away from this position particularly in cases related to ICT and other hi-tech industries.

*Form 27 to allow patentees to make a statement to the effect that patent is not worked in a standalone format but form part of the portfolio licensing program. The patentee may also be allowed to make a statement that it is impractical to determine whether the patented invention being part of the global portfolio program has been worked in India or not.*
4. **Meeting of Public Requirement:**

Under the changing dynamics of several industry and operations of global patent portfolio licensing, etc. it may be impossible for the patentees to find out the requirements of the public related to that patented invention.

*Hence, the* patentee may be allowed to state that it is not practical to ascertain whether the requirements of the public are met or not.

5. **Confidentiality related Information:**

Voluntary licensing agreements contains many commercially sensitive and confidential information. Therefore, providing the description of license including the names of the licensees and sub-licensees, etc. may be treated as sufficient to fulfill the requirement and rest of the contents of the license agreements may be treated as confidential.

6. **Frame work for penalizing defaulters:**

There is no specific framework or procedure mentioned in the Rules pertaining to the implementation of Section 122. Section 122 simply states about penalties and corresponding Rule 131 simply states about the submission of Form 27.

Rules may be amended to provide a procedure whereby any person aggrieved by not filing of working statement may file a complaint before the Patent Office and the Patent Office after giving adequate opportunity to the patentee and making necessary inquiries as it may deem fit, initiate the proceedings as prescribed under Section 122.

---

<table>
<thead>
<tr>
<th>36</th>
<th>Mr. M.R. Gupta</th>
<th>Delhi</th>
<th>Patent agent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td><em>Information asked for in Form 27 is justified</em> and Patentee must comply Section 83 of the Act, there should be no problem to the Patentee to give such information.</td>
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<td><em>Further nothing is confidential</em> as patent is granted for full disclosure of the invention as per Section 10(4).</td>
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<td><em>However, in case of delay or other problem the Patentee must request the Controller of Patents accordingly.</em></td>
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<td><em>In case Patentee is silent on his /her duties Controller must exercise his / her power under Section 122.</em> - principle of natural justice must apply.</td>
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<td><em>No change / guide lines to be framed / required</em> as the present provisions under the Act are sufficient to take care of the all stakeholders and public at large.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>37</th>
<th>Lt Col (Dr) Mathew Thomas (Retd)</th>
<th>mat3201981 @gmail</th>
<th>Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><em>Information on the working of patents is critical in understanding how the patented product/process is being used as mandated by the legislature. It would be of immense use to the public if all patent details including working</em></td>
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is placed on patentee’s website in addition to the information being furnished to the Patent Office.

- **Serial 3** of Form 27 could be under the following heads:
  
<table>
<thead>
<tr>
<th>S. No</th>
<th>Nomenclature</th>
<th>Patent No</th>
<th>Date of Grant</th>
<th>Whether Worked in India or not</th>
<th>Reasons for Not working</th>
<th>If Imported Countries from where imported</th>
<th>Qty Imported in Nos/Kgs/Tonnes</th>
<th>Cost of Import per piece/item</th>
<th>Whether Licenced or not</th>
<th>Details of the Licencee including sublicensees</th>
<th>Cost of Production if Produced in India</th>
<th>Quantity Produced in Nos/Kgs/Tonnes</th>
<th>Stock Remaining at the end of the reporting Year</th>
<th>Stock Carried Forward</th>
<th>Market/Retail Price to Consumer</th>
<th>If Technology is Transferred for use in India</th>
<th>Cost of Transfer</th>
<th>Remarks</th>
</tr>
</thead>
</table>

- **Serial 4** of Form 27 must also contain a statement, “the information submitted is true and correct account of the details and if found incorrect at a later stage the person signing the Form is liable to be prosecuted/punished as per Section 122”.

---

| 38 | Mr. Shigeo KISHIMOTO  
Senior Manager  
Patent Administration,  
Department,  
Corporate Intellectual Property Division,  
Mitsubishi Electric Corporation | Industry | Japan |
<table>
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<tr>
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<tbody>
<tr>
<td>i.</td>
<td><strong>Consider abolishing the working statement requirement because it imposes enormous burdens for patentees</strong> like us to check accurate and detailed information about whether or not each of our granted patents is worked in India, and if yes, about how much they are, i.e., quantum and value of patented product, manufactured in India or imported from other countries, etc.</td>
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<td>ii.</td>
<td>if it is impossible to abolish the requirement, show a guideline describing reasonable input standards.</td>
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<tr>
<td>iii.</td>
<td>Consider introducing much more relaxed measures than ever before like the followings.</td>
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<tr>
<td>o</td>
<td>To abolish a requirement to confirm quantum and value of patented product, in particular, manufactured by licensee(s) and/or sub-licensee(s) based on a cross-license agreement for example, because working of patents are not usually required in a license agreement and it is hard to provide such information.</td>
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<td>o</td>
<td>To extend a deadline to submit the working statement, in particular for foreign patentees.</td>
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</table>

- **39**  
  **Narendra R Thappeta,**  
  **Law Firm of Narendra Thappeta**  
  **Intervenor/respondent** |

- It is humbly noted that **section 146 is believed to be merely an empowering provision for the Patent Office to seek pertinent information** for administration of compulsory licenses and licenses as of right. The law does not mandate that Patent Office collect information under either section.

- Subsection (1) of section 146 states in pertinent parts, “The Controller may, ... require a patentee or a licensee, exclusive or otherwise, to furnish ...”
(Emphasis Added). Similarly subsection (2) of section 146 states in pertinent parts, “...such manner and form and at such intervals (not being less than six months) as may be prescribed ...” (Emphasis Added). Similarly, subsection (3) also leaves it to the sound discretion of the Controller as to whether or not to publish the information collected under subsections (1) and (2) by use of the word 'may'.

**FORM 27**

- Reduce the burden on patentees holding patents covering areas of no public interest (e.g., in most CRIs).
- Only minimal information be asked of all patentees under Form-27.
- IPO should ask for more detailed information when patents cover areas of public interest to have necessary information for administration of compulsory licenses and yet avoid unneeded burdens on patentees.

(A sample of Form-27 attached).

- **Current electronic version of Form-27 is designed under the assumption that working requirement is satisfied by ONLY ONE of two conditions: (A) Manufacturing in India; OR (B) Importing.** Form-27 may be suitably modified to permit submission that working requirement is satisfied under **NONE of the two situations, or BOTH situations.**

- **Form-27 may be revised to refer to ‘Patented Subject Matter’ instead of the current term ‘patented invention’.** The current term used causes undue burdens on patentees in CRI areas (but not in pharma), given that the determination of scope of ‘patented invention’ entails complex analysis.

- **Remove the fields requiring units/quantum and value from Form-27,** at least if those fields are made applicable to CRIs and other similar non-pharma areas (while retaining the option to seek that information under sub-section 146(1) instead).

- **Redesign Form-27 so that patentees are not required to make subjective assessments** such as whether the public requirements are met adequately.

- **formulate rules or other guidelines on what information will be made available to the public** either as a matter of routine course or when specifically requested.

- **Rules may be formulated to clarify that penal provisions u/s 122 are applicable only under clearly articulated exceptional circumstances, and to establish due process in the implementation.**
| 40 | M. Adinarayana  
Company Secretary  
& V.P. (Legal & Corp. Affairs)  
NATCO PHARMA LIMITED | Hyderabad | Industry | if a Patented Invention is used with some other non-patented product, the form 27 should also contain details about other Fixed Dose Combinations (FDCs) along with details of the patented product being used.  
- The para (ii) of Form 27 may be substituted to contain the working statement of the patent by licensee and sub-licensee also.  
- Form 27 should be modified in such a way that the patentee should require to file working statement even for the period prior to the patent grant. The reason is that the working statement of the patented invention is filed from the date of grant of patent only and the term of patent is 20 years from the date of application.  
- A certificate from Company Secretary / Chartered Accountant / Cost Accountant should be attached as a supportive document for Form 27 to substantiate the quantity and value of the patented product, so that the Company/ professional giving such certificate will be cautious as, if found incorrect statement of facts and figures, they are held responsible and liable.  
- Delay in filing a document, a Petition under rule 137 be filed with a fee of Rs. 8800. Government may consider increasing the fees. |
| 41 | 1. Kanchana TK,  
Director General  
Of the Organisation of Pharmaceutical Producers of India (OPPI),  
2. Chris Moore  
Dy. Vice President,  
Pharmaceutical Research and Manufacturers of America (“PhRMA”),  
3. Tomas B. Cueni  
Director General  
IFPMA, International Federation of Pharmaceutical Manufacturers and Associations (“IFPMA”), | USA (HQ) | Industry Organisation (Pharma) | Section 146:  
- The rationale underpinning Section 146 of the Patents Act, 1970 is outdated, vague, and creates significant uncertainty for patent owners in India.  
- The majority of disclosures required under Section 146 are either unnecessary to determining if a patented invention has been “worked” in India or are so vague they are nearly meaningless.  
- Section 146 appears to require the Patent Office to publish the information regarding licences in Form 27. However, required disclosures seem to conflict with other provisions of the Patents Act. For example, Section 69(4) of the Patents Act requires the India Patent Office to keep confidential registered patent license agreements when accompanied by a confidentially request.  
Form 27: Eliminate vague and unnecessary annual working statement disclosures  
- Scope of Form 27 has not been updated or amended in nearly 45 years, and therefore does not reflect the realities of today’s globalized nature of innovation and patenting activity.  
- In addition, filing Form 27 is burdensome because many of the requested disclosures are vague and unclear.  
- The Associations are concerned that third parties can abuse Form 27. | yes | yes |
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<th>Name</th>
<th>Country</th>
<th>Role</th>
<th>Problems</th>
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| Akihiko Matsubara | Japan   | Managing Director, Japan Pharmaceutical Manufacturers Association ("JPMA") | Disclosures to misappropriate legitimate intellectual property rights.  
• Published Form 27 details, for each patent in India can be accessed by anyone through IPO website, with no precautionary means for ensuring confidentiality of the submitted information. Besides, current information may be misused by third parties by initiating actions that are frivolous or intended for pecuniary gain under various public interest provisions of the Patents Act.  
• The Associations request, at a minimum, that the India Patent Office amend Form 27, and relevant regulations, to limit patentee statements to whether or not a patent was worked in India.  
  o At a minimum, the Associations urge the India Patent Office to exempt confidential or proprietary information from its annual working statement disclosures. That means striking sections of Form 27 that relate to the “quantum and value” of the patented product and “licensees and sub-licensees.”  
  o In addition, the India Patent Office should continue to exempt certain situations of non-working; i.e. regulatory delays or market conditions that would otherwise prohibit patentees from making, using, offering for sale, selling or importing the product in India.  
• It would be appropriate to reduce the reporting frequency of Form 27 to every three years. |
| Andrew Jenner |         | Executive Director INTERPAT (collectively “the Associations”) |                                                                           |
| Jay A. Erstling | USA     | Of Counsel Patterson Thuente IP Patent Agent (USA) | Problems;  
• India is the only country, to my knowledge, that has a reporting obligation of working of patents -although most countries have working requirements – and compulsory licensing is sanctioned by both the Paris Convention and the TRIPS Agreement  
• The reporting obligation imposed on patentees by Form 27 does not further the working requirement’s objectives. Form 27 is flawed and it therefore should either be revised or eliminated altogether, but doing so is not likely.  
• Two of questions in Form 27 viz., Part 3(i) (b) and Part 3(iii), are virtually impossible to answer, and yet the form imposes exceptionally heavy consequences on the failure to answer the questions accurately.  
  o Part 3(i) (b): asks patentees to furnish the “quantum and value (in Rupees) of the patented product,” including both a product manufactured in India and one imported from other countries. Exhaustive analysis is required for answering this question- when a product contains multiple patents, when a product is a component of other products, or when a product contains parts that are the result of |
complex licensing arrangements, as is often the case. The form makes no exception for such cases, however.

○ Part 3(iii) : It asks the patentee to state “whether the public requirement has been met partly/adequately/to the fullest extent at reasonable price” and is even more problematic.

Suggestions:

i. The simplest remedy would be to eliminate the form, but doing so is not likely, and the Form does have one positive attribute: it serves as a reminder to patentees that India takes the working requirement seriously.

ii. If the Patent Office were to decide to revise the form, I would respectfully suggest the following changes:

- The most important change would be to delete questions 3(i)(b) and 3(iii), as the questions cannot be answered accurately and they do not serve to encourage working.

- Another important change would be to eliminate the draconian penal sanctions and fines.

- If a patentee willfully filled out the form incorrectly, or knowingly failed to file the form, a more appropriate penalty would be to declare the patent unenforceable. A declaration of unenforceability would mean that anyone could work the invention without the need for a license or the payment of compensation. The threat of severe economic consequences, particularly for large corporations with valuable patents, would no doubt constitute sufficient motivation for patentees to comply with the reporting obligation.

- When an applicant files a PCT application, the applicant can indicate that the invention is “available for licensing.”

- Form 27 should ask a patentee to tick a box if the patentee wished to make the invention available for voluntary licensing, and it would invite interested third parties to contact the patentee. The ability to notify the public of licensing opportunities benefits both patentees and potential licensees, and it falls squarely within the Patent Office’s mandate to encourage the working of patented inventions in India.

- Form 27 asks patentees to provide “reasons for not working and steps being taken for working of the invention” in the event that an invention is not being worked in India. In order to bring greater clarity to the working requirement, I would respectfully request that the Patent Office provide
guidance as to the sorts of “reasons for not working” and “steps being taken for working” that the Patent Office deemed *prima facie* acceptable.

| 43 | Praveen. K | praveendoh@gmail.com | Advocate | • As a citizen of India, I am of the opinion that no change is required in Section 146 of Indian patent act as amended read with rule 131 of patent rules 2003 including form and Penal provisions under section 122 of the Indian Patent Act.  
• The penal provisions need to remain as it is now, to ensure parties don’t make false statements and get away easily to the detriment to India and Indian citizens.  
• I am of the opinion no stake holder meeting is required in this regard, especially if the patent office chooses to call only select stake holders in violation of article 14 of the constitution, as the views of the selected stake holders don’t represent the Indian citizens voice.  
• **format for reporting compliance on the below sections is not comprehensive, adequate information should be collected from the patent holders**; fine and penal provision should be imposed on defaulters as per the patent act and rules  
• **Urgent action is needed to disclose to the maximum extent possible information by amending the concerned forms**, so that as required compulsory licensing can be resorted to in deserving cases were the patent holder does not produce in India or elsewhere. | yes |

| 44 | Rajeshwari & Associates | Delhi IPR Professionals Firm | Form-27-suggestions:  
a. **Physical filing of Form-27 be enabled even for patent agents.** This would facilitate easy filing of Form-27.  
b. Additional information be enabled in Form-27 which is tightly controlled by the manner prescribed.  
c. Non-working statement be accepted by the Patent Office: Many inventions take time to get marketed and worked. Hence, many times Patentees file working statement stating clearly that the invention is not worked  
d. **In case of failure to file working statement, the Patentee may be given a chance to file the working statement.** In case the Patentee still does not file any working statement, then penal action may be considered.  
e. **Simplify Form-27:** Requirements like Quantum and value in Rupees and whether the requirement of the public has been satisfied or not, are subjective and not required. Similarly, with regard to licenses, the number of licenses granted may be disclosed; however the parties and further details including royalty arrived at between the parties need | yes |
not be called for as the same may of ten be Confidential Information.

Redacted documents: In case the Patent Office calls for any documents in support of the working statement, parties may be allowed to submit redacted documents as some of them would be uploaded on the website of the Patent Office and made public.

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<tr>
<th>45</th>
<th>Rajiv Kr. Choudhry</th>
<th>New Delhi <a href="mailto:rajiv@rhalegal.com">rajiv@rhalegal.com</a></th>
<th>Patent Agent</th>
</tr>
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In my view, the patent owner already has the information asked and it is only a matter of providing it to the Indian patent office that would be beneficial to the public. For example, application ranking / details about expiry / portfolio breadth, etc. are all available with the patent owner.
order available publicly.

For Standard Essential Patents / Applications

- Provide a complete list of applications, patents covered in the standard essential patent portfolio for all technologies where the patent is applicable with corresponding disclosure given to standard body.
- What is the royalty rate for global portfolio / India portfolio?
- Whether the rate proposed is a fixed price per unit or a percentage royalty?
- If it is an ad valorem (i.e., percentage royalty), then disclose:
  - the basis upon which the royalty is to be calculated;
  - whether there is to be a maximum monetary amount of royalty (i.e., a cap);
  - whether there is a minimum monetary amount of royalty (i.e., a floor) - any territorial restrictions that may be imposed;
- any branding restrictions that may be imposed;
- any grant-back requirements;
- the types of products which will, and will not, be licensed

ANNEXURE B

- Whether a complete product is based on the patent, provide details?
- Whether a complete product is based on multiple technologies having multiple patents, applications, provide details about the patents / portfolio owned by the same assignee
- If the complete product is imported into India -
  - provide the details of the part where the patent is applicable OR
- • What is the component / part or sub-component in which the patent is incorporated?

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<th>Remfry and Sagar</th>
<th>Delhi</th>
<th>IPR Professionals Firm</th>
<th>FORM 27- CHANGES SUGGESTED:</th>
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<td>1. The initial filing of Form 27 should be delayed - A compulsory license can be applied for only if a patent, <em>inter alia</em>, has not been worked for three years from the date of grant of a patent. Therefore, a Form 27 should not be required to be filed for the first three years after grant.</td>
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<td>2. Frequency of Form 27 filings ought to be reduced – Section 146 of the Patents Act does not mandate a specific time period between two consecutive statements of working (six months is the minimum). The department should consider reducing the frequency of filing statement of working to once in every three years instead of annually.</td>
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<td>3. Form 27 ought to be restricted to a declaration of working/non-working –</td>
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Practically, to achieve its intended purpose, it is sufficient for the statement of working to be restricted to a declaration as to whether the patent is being worked or not worked. This may be supplemented by reasons for not working. Further details are unnecessary and should be made optional.

4. Requirement of specifying whether public requirement has been met partly/adequately/to the fullest extent and at a reasonable price should be removed from Form 27.

This requirement is very subjective and places an unnecessary burden on the patentee/licensee. A patentee is required to conduct a market survey each year to ascertain whether public requirement has been met at reasonable price. While this information may be useful in a compulsory licensing proceeding, it serves no practical purpose on Form 27. How should a patentee identify whether public requirement has been met? And what qualifies as “reasonable price”?

Moreover, the burden of making a statement that (i) reasonable requirements of the public with respect to the patented invention have not been satisfied, or (ii) the patented invention is not available to the public at a reasonably affordable price, should be placed on the applicant for a compulsory license – not the patentee.

Additionally, the requirement of submitting a declaration as to whether public requirements have been met is, perhaps, relevant for the purposes of public health and safety and should not (and cannot) be “required” information for every patentee.

5. Information regarding quantum and value of the patented product should be dispensed with.

Quantum and Value are also not easily discernible. For example, for multi-patent products how does one make this determination? Even in cases where collection of this data may be possible, it is extremely burdensome to require confidential/business sensitive information to be disclosed on Form 27. Once again, this requirement is, perhaps, useful in a compulsory licensing proceeding and should not (and cannot) be “required” information for every patentee as it compromises confidential business sensitive information.

In ICT sector, where worldwide multiple-patent portfolio licensing and cross-licensing between different patentees is a norm, it is extremely difficult to ascertain whether a patent has been worked or not. Moreover, to determine the quantum and value attributable to each of the patent is impracticable in most instances.
Furthermore, the quantum and value of the product is proprietary business sensitive information, disclosure of which can harm the competitive position of the patentee. By virtue of Form 27, the trade competitors have easy access to confidential information which they might not have otherwise probably even after conducting market intelligence.

There is a need to rationalize the format of Form 27 and the requirement imposed by Form 27 to disclose the quantum and value of the patented product should be dispensed with.

6. Information regarding licenses and sub-licenses granted should be dispensed with.

Existing Form 27 requires the patentee to disclose the licenses and sub-licenses granted during the year. At best, this requirement should solicit information regarding whether a license or sub-license has been granted.

Further, any suggestion that the patentee is required to publicly disclose the identity (and terms) of a license/sub-license is discriminatory and contravenes the statutory mandate provided under section 69(4) of the Patents Act which states that “in the case of a licence granted under a patent, the Controller shall, if so requested by the patentee or licensee, take steps for securing that the terms of the licence are not disclosed to any person except under the order of a court.”

Accordingly, details of the licensees/sub-licensees should not be sought. Information relating to only number of active licenses during the year could be sought.

7. Obligation to file Form 27 should be either on patentee or licensee, not on both - If a patent has been worked only via licensee, the burden should be placed on either one party and not on both parties.

8. Form 27 should be amended to allow filing a single statement of working for multiple patents - In order to reduce paperwork, there should be provision for filing single Form 27 for multiple patents (portfolio of patents).

OTHER RECOMMENDATIONS

1. Form 27 should be published judiciously-

Section 8 (d) of the Right to Information Act, 2005 (RTI Act) exempts the disclosure of “information including commercial confidence, trade secret or intellectual property, the disclosure of which would harm the competitive position of a third party, unless the competent authority is satisfied that
larger public interest warrants the disclosure of such information”. The current Form 27 requires the patentee to submit business sensitive information (quantum and value), disclosure of which has potential to harm the competitive position of the patentee. Section 146 (3) of the Patents Act bestows the Controller with the discretion to publish information received under sub-section (1) and (2) of section 146, however, such discretion should be used judiciously only in cases where the public interest of disclosure outweighs any possible harm or injury to the interests of the patentee. In fact, the procedure as laid down in section 11 of the RTI Act should be followed as RTI Act has an overriding effect over the Patents Act (section 22 of the RTI Act).

2. **Information such as quantum and value** should be required only in response to third party petitions for compulsory licenses. Instead of asking every patentee and licensee to furnish burdensome information such as quantum and value, this information should be sought under section 146 (2) only in response to a petition seeking compulsory license or revocation of patent (under section 85 of the Patents Act).

3. **Form 27 should be amended to allow filing a single statement of working for multiple patents.**

4. **Form 27 should include a column to indicate whether the patent relates to a SEP** - If any patent is part of any standard then the same should be indicated along with the name of the SSO (Standard Setting Organisation) and corresponding Standard.

5. **Measures such as imprisonment and monetary fine to the tune of INR 10,00,000** prescribed under section 122 of the Patents Act are vague and non-enforceable.

   a. **There is no mechanism of enforcement** - the Patents Act and the Rules do not provide any mechanism for the Patent Office to ascertain the correctness of the information submitted by the Patentee. Therefore, on what basis can they levy a penalty for allegedly disclosing incorrect information.

   b. **Criminal sanctions ought to be removed** - Since the Patents Act does not prescribe any criminal sanctions in case of infringement of patent rights, it is only fair that the criminal sanctions imposed on the patentee be removed. In case of false declaration, the sanction of revocation of patent can be prescribed instead of imprisonment.

   c. **Non-compliance of the working requirement is a ground for a compulsory...**
That should be a sufficient deterrent to the patentee. Any further penalty is not required. A potential licensee should be able to identify if a Form 27 has been filed and use that to take its case forward for a compulsory license or any other information.

| 47 | Ranjan Narula  
Managing Partner  
RNA- IP Attorneys | Gurgaon  
IPR professionals  
Firm | Form 27 |
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<tr>
<td>• The details of licenses and sub-licenses granted, the quantum and value of patented product, needs to be furnished by the Patentee if the patent is selected as worked. The patentees consider this as commercially sensitive/confidential Information. It is also particularly of concern as the information is published on Indian Patent Office website and thus can be accessed by the public generally (including the competitors as well).</td>
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<td>• The Form does not have options for the situations where a bundle of patents is used in a single product.</td>
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<td>• The parameters to quantify the working of patent are limited i.e. in the present Form, quantum and value are the parameters to measure the scale of working of the Patent, whereas it may not be possible for all patents to quantify value.</td>
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<td>• The Patentees find it difficult answering if the public requirement has been met (partly/adequately/full). The question is quite subjective.</td>
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<td>• Different Industries have peculiarities in terms of how they use technologies and manner of use of with respect to their resulting products Thus, it is obviously challenging to have a single/common Form that would apply to all industries/sectors. Thus, retrieving the working details of each patent is challenging as well. As a solution to this, the Form may be structured in two broad heads of ‘working’ or ‘not working’.</td>
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<td>• In case, where the patentee selects “patent worked” in India as a guideline he may be asked to provide following specific details:</td>
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<td>a. Quantum of the patented product in a range.</td>
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<td>b. Value of the patented product in a range.</td>
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<td>c. Specify if the bundle of patent are used in a single product</td>
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<td>d. If the patent is for the product which is not sold independently in the market. In that case, to provide details of the final products where the patent will find its place</td>
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<td>e. Number of license and sub-license (without insisting on the name and specific particulars of the licensees)</td>
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<td>f. If patentee is not able to answer the above, he may be required to mention other details for substantiating that the Invention is worked</td>
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<td>• ‘Non-working’ of Invention would require following specific details:</td>
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<td>a. Reason for not working</td>
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| Ranjan Narula  
Managing Partner  
RNA- IP Attorneys | Gurgaon  
IPR professionals  
Firm | Form 27 |
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### Form 27 - Statement of working - Complexities

Due to the intertwining of various inventions in the same field as well as allied fields it is not always easy to provide exact information on working of patents in terms of value or quantity of working for a specific patent.

Now the question is what should the patentee put as the value of the products in the 20 patents when none of the components are sold separately but form part of the complete device.

So the accurate value of sale or the specific number of the products made or sold with respect to a particular patented item can never be specified. These are cases which one would often come across in products of different categories and the filling of Form 27 can only be done by providing a statement and the Courts have to appreciate the position and prescribe a realistic format.

### Form 27 - Possible changes

1. Provision to be included to refer to related patents in the Form 27 because in most cases it is not one patent equivalent to one product but multiple patents relate to a single product.
2. When the patent is not worked the information required by 3(1)(a) in Form 27 is sufficient requirement and it is for the patentee to provide reasons if required by way of a statement of case. Whether the statement is incorrect or inadequate is something which can only be scrutinized in contested proceedings.
3. The value for quantum of sales from a patent should not be made mandatory but the requirement be amended so that the total sales of the product which includes the patents be provided in approximate value. It is difficult of ascertain the value in sales figure in view of a single product employing a number of patents not only for the components thereof but also in arrangement of the components in the form of process patents.
4. It is not possible to answer the question as to whether the requirement of the public is met for all kinds of patents across any and all fields of technology. Meeting requirement of the public may be true for pharmaceutical products that too for one patent-one product and for life saving drugs. But patents for FMCG, or electronics products there cannot be any requirement as such products do not include a bare necessity.
5. Licensing often involves many confidential information and no patentee would reveal all details in public domain. The requirements for filing of such statement ought not be an obstruction free and fair trade practices.

### Form 27 - Specific suggestions

<table>
<thead>
<tr>
<th>b. Efforts taken by Patentee to work the Invention.</th>
</tr>
</thead>
<tbody>
<tr>
<td>48</td>
</tr>
</tbody>
</table>
A facility to club multiple patents may be provided, since one product may involve multiple patents, and sale value of that product would cover all those such patents. This would make the submission simple and realistic.

The requirements as to quantum and value may be further evaluated. There are no specific valuation guidelines “How to describe Sales.”

Question which imposes a near impossible burden on the patentee, i.e. the question “whether public requirement has been met partly/adequately/to the fullest extent at reasonable price” may be reconsidered and clarified.

As the patentee does not have access to the whole market information, it is not possible for the patentee to state with absolute confidence whether the extent to whether any public demand has been met. The public requirement may also vary with the product – and in some cases may only be a certain commercial circle of an industry sector. In any event, the “demand” is for the “complex product” which is not the same as the “patented product”. For similar reasons, it is also difficult to assess what is a “reasonable price”.

In any event the meaning of the terms “partly, fully or adequately” meeting public requirement is not clear. More clarification is required about this point and may modify this phrase to include clearly measurable.

Questions on licensor sales data may be further clarified: each individual licensor may not provide for the collection of the data at this level of granularity (e.g. in the case of a royalty-free licensor, or an upfront licencing or bulk fee) and as such patentee has no means to compel a licensor to disclose such data. Further, various terms of the licensor may be deemed confidential, disclosure of which may constitute breach of the licensor.

For pharmaceutical patents one can include points that may enable patentee to mention detailed reasons for Non-working of patents or the exact reason. If the patentee is not sure or has no information whether patent has been worked in India.

a. The pendency of regulatory approval/ongoing clinical trials – in such case, provisions should be made for patentee to incorporate stage of clinical study, clinical data or clinical trial Number (CTR) for ongoing studies.

b. Patentee is still exploring the Indian market for determining need/demand of the product,

c. The patentee is still working on the product to make it economical for the Indian market conditions.

d. Unavailability of License due to lack of demand for the product.

The patent working procedure would benefit from updated official guidelines which illustrate what is acceptable, whilst balancing what is actually possible
in a commercial context for each respective industry.

- One specific suggestion would be **acknowledging that patent to product mapping is different for different industries**, and that a one size fits all form is not suitable.
- **Where the patentee has failed to file working statements the Controller may publish a list of such patents** an automated monitoring and alert system warning patentees that they have not filed required Forms 27 can be established.

<table>
<thead>
<tr>
<th>49</th>
<th>Vikrant Rana</th>
<th>Delhi</th>
<th>IPR professional Firm</th>
<th>Form 27- Suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S.S. Rana and Co.</td>
<td></td>
<td></td>
<td>a. The prevailing Form 27 is not “aligned to changing Industry dynamics”, is “ambiguous”, and “lacks clarity” and deserves consideration for appropriate amendments by the Indian Patents Office</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>b. <strong>Patentee would not like to provide the desired information on quantity of goods sold and revenue achieved during the financial year Form 27 as the information is either highly confidential or not available data on.</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>c. It is suggested that an option may be provided to mention the goods and the revenue in a range format (for example 0-1000, 1000-10000, more than 10000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>d. <strong>Form 27 model is non-existent for inventions pertaining to ICT sectors and others, where on product is not based on one patent, but covered in portfolio of patents. The existing working statement is filed individually for each patent.</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>e. <strong>The patentee faces several issues in providing separate working statement for inventions that belong to the same cluster</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>f. There should be provision of a single statement for multiple patents worked in a cluster in one product with reasons. Related multiple patents covering the same product (which are common in mobile telecom industry and CRIs), the details should be furnished as a single statement, rather than filing separate working statements for individual patents, provided that the said inventions are not used/sold/licensed/ manufactured separately.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>g. <strong>Licensee is not filing Form 27</strong>: Controller may issue a list of Licensees who have not furnished the details required in a patent as per Section 146 of the Act, directing them to provide the details within a specific deadline</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>h. <strong>A Patentee should be allowed to provide information in a yes or no format for the working of patents.</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>i. There is a need to update the Patent Rules and amend ‘Form 27’ in a</td>
</tr>
</tbody>
</table>
manner that cater to the emerging technological fields in India and the expansion of the ambit of inventions.

| 50 | S. Giriraj Kumar Team Leader – IP, GirirajKumar.S@saint-gobain.com Saint-Gobain India Pvt. Ltd. | Chennai Industry | Form-27  
Details on the Quantum & Value of patented product is very difficult to ascertain when a patent protects one or more components of the product manufactured or vice versa. There are no definitions of quantum and value.  
Import data per country: Difficult to populate accurate details  
Form has no option for reporting a product which is both manufactured and imported  
Form demands to indicate if the public demand is met adequately / partially / to the fullest: No definitions/scales for assessment as per the Act  
Mandate on the licensees to file form 27 becomes tedious and in cases of single licensee results in duplication of work  
It appears that these information are by large not used by anyone and hence appears to be an effort with no apparent value and remains merely a burden imposed by the Act. | yes |

| 51 | Samsung India Electronics Pvt. Ltd, Noida Industry | Suggestions:  
1. Abolishment of submission of Working statement. Reasons are:  
   (i) it imposes significant and undue administrative burden on patentees and IP stakeholders in India.  
   (ii) for multi-national organizations, where multiple teams in worldwide locations are involved in product designing & implementation, many times it becomes tedious task to be certain about a patent's implementation in products and services in India with the same patented concept.  
   (iii) receiving commercialization information from licensee(s) on individual patents from among a bundle of patent licenses, poses further challenges  
   (iv) working statement runs counter to global trends toward harmonizing patent law  
   (v) due to competing interpretation by the patentees, the performance of the clause relating to Form 27 in the provisions of Indian Patent Act, cannot be sufficiently met by the patentees, and hence such clause including Form 27 should be abolished.  
2. We do hereby further submit that if our submission as enumerated above cannot be accepted, then our comments as mentioned herein under may be considered: | yes | yes |
a. **Limiting the Information sought in Working Statement:**

The amount of information sought in the working statement requires significant efforts to assess the quantum and financial information. It also poses challenges for information disclosure required by licensees, specially the financial information. We recommend abolishing pt. 3(i)(b)i), 3(i)(b)ii), and 3(ii) from the current format of Form 27.

We recommend limiting the information requested in the working statement to just "worked" or "not-worked".

2. **Comments on Section 122 in The Patents Act, 1970**

We recommend that the current penal provisions relating to fine and imprisonment for non-submission and/or wrong information in the working statement as given in Section 122 (1)(b) and Section 122 (2) must be abolished.

3. **Section 146 could be amended as follows:**

   (i) based on an application made by an interested party, the Controller may request the applicant to furnish the information as to "worked" or "not worked" within a period of 3 months from the request.

   (ii) In the event of failure of the applicant to submit the working information, the Controller must invite the parties for a hearing and thereafter pass an order on the patent based on the merits of the case.

---

<table>
<thead>
<tr>
<th>52</th>
<th>Prof. Shamnad Bashir, Nirma University</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pankhuri Agarwal, research associate</td>
</tr>
<tr>
<td></td>
<td>N. Sai Vinod, Advocate</td>
</tr>
<tr>
<td>52</td>
<td>Gujurat Academician</td>
</tr>
</tbody>
</table>

---

i. **Form 27:**

- Current Form 27 is insufficient to ensure that the patentees and licensees make a full and complete disclosure of the patent working information. It suffers from considerable ambiguity and omits to ask patentees for a number of important particulars that are necessary for an effective assessment of the commercial working of patented inventions.
- Due to these defects, Form 27 facilitates strategic non-disclosure of complete working information by patentees which is grossly incomplete, incomprehensible or inaccurate.

ii. **Amendment to Form 27 : Suggestions**

a. **Para 3 of Form 27:**

merely asks patentees and licensees to “give whatever details are available” without mandating such disclosure in stronger terms, given that it is a statutory mandate under section 146 of the Patents Act (to disclose the full extent of commercial working of the patent). Owing to this nebulous wording, patentees and licensees have strategically provided rather vague and non-specific information that makes it impossible to determine the extent of working.
b. Para 3(i)(b) of Form 27:
Requires patentees to state the “quantum” and “value” of the patented product manufactured in India or imported from other countries. The term “value” and “quantum” ought to be spelt out with greater precision and specificity to capture the actual sale of the patented invention in India. It should also take into account the differential nature of the technology that patents protect.

Illustratively, in the case of pharmaceutical patents, the key question is: should value be the price at which the patented drug is sold/distributed by the patentee to distributors or the final price at which the drug is sold to the patient? Ideally, the Form should call for both prices, but more so the price at which the drug is ultimately sold to the patient.

The “quantum” of product should also be indicated in clear terms. Lack of precision on this count has meant that drug patentees used conflicting and confusing terminology to indicate quantum (packs vs boxes etc).

Form 27 does not call for information regarding a single basic patent being embedded in multiple products, technologies and improvements which is a case in high technology sector. Patentees typically disclose only one application or product. The patentee must be made to disclose all technologies, applications and products (that they are aware of), where the same patent is deployed/used.

Therefore, it is critical that all patentees who hold multiple patents covering a single product disclose other “related” patents for each such patent. A failure to disclose this information adversely impacts innovation and competitors significantly, as it unduly increases their search costs in all cases where there are potentially multiple patents covering the same product. Therefore, the present format of Form 27 ought to be amended to mandate disclosure of such information.

c. Para 3(ii) of Form 27:
Form 27 requires patentees to disclose “licenses and sub-licenses granted during the year”. Due to the lack of emphatic specificity, a number of Form 27 submissions simply fail to disclose the details of licensees or licensing arrangements. The revised Form must begin by asking whether the patent has been licenced in the first place. If so, it must then ask for more details, such as the names of licensees and broad terms of licence that permit one to objectively ascertain if the patentee has worked the patented invention through the license to the reasonable satisfaction of the public.

Not all aspects of a license can be hidden away under the guise of confidentiality. Rather, particulars such as the name of licensee/s must compulsorily be disclosed under sections 67-69 of the Patents Act. Other details
can be disclosed only to the extent necessary to demonstrate that the patent has been worked. Confidential licensing terms can be redacted at the option of the Patent Office and the statutory framework does provide leeway for this.

d. **Paragraph 3(iii) of Form 27**
Requires patentees to “state whether public requirement has been met partly/adequately/to the full extent at a reasonable price”. However, this is too vague, nebulous and absurd a question, as it is difficult to imagine any patentee forthrightly declaring that they have not met the requirements of the public. Instead of requiring the patentees to merely self-attest whether or not the reasonable requirement of the invention to the public have been met, the Form ought to call for more particular information as would help the Patent Office make this assessment. In particular, the patentee ought to be asked to submit the following:

- a) estimated demand of the patented invention or product;
- b) extent to which the demand has been met (i.e. availability); and
- c) details of any special schemes or steps undertaken by the patentee to satisfy the demand.

iii. **Rectification of E-Filing Version of Form 27**

- Online version of Form 27, which can be submitted through the e-filing of patents facility (URL: [https://ipindiaonline.gov.in/epatentfiling/goForLogin/doLogin](https://ipindiaonline.gov.in/epatentfiling/goForLogin/doLogin)), is even more problematic than the offline/physical format as it requires even less specificity in the information to be provided by patentees and licensees. Illustratively, it does not require them to submit information pertaining to the quantum of the patented product imported or manufactured. This blatant dilution of an important statutory mandate enables patentees and their licensees to evade public scrutiny of the true extent to which the patent has been licensed and worked.

- Therefore, we recommend, that the online version of Form 27 must be immediately rectified to enable patentees and licensees to submit full and complete working information.

iv. **Updating of Online Searchable Database**

- Currently, the patent working database on the Patent Office’s website ([http://ipindiaservices.gov.in/workingofpatent/](http://ipindiaservices.gov.in/workingofpatent/)) provides access to Form 27s submitted in the calendar years 2012 and 2013 only. As a result, the Form 27 filings pertaining to the years 2003 to 2011, 2014 to 2017 are not
conveniently available for public viewing through a single web page/interface.

- Rather, one has to go through each individual patent entry to determine whether or not Form 27s have been filed and updated for that particular patent.
- Further, even for the years 2012 and 2013, Form 27s submitted by the patent licensees have not been uploaded.
- **In order to provide for better transparency, we recommend that the Patent Office publishes all the information relating to commercial working of all patents (as encapsulated in the various Form 27s) for all years of operation of the patent on one consolidated page on their website.**
- Further, may we please request that while framing the new Form 27 and implementing the patent working and disclosure requirement, the Patent Office ensure that the broad principles of patent working laid down under Section 83 of the Act are borne in mind. This will ensure that the new Form 27s and the consequent enforcement do not whittle away or dilute the patent working and disclosure mandate carefully constructed by our policy makers and enacted into law by the people’s representatives.

<table>
<thead>
<tr>
<th>53</th>
<th>Chammika Subasinghe</th>
<th>Bengaluru</th>
<th>Industry</th>
<th>i. Form 27- problems</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Head of IP department, Siemens India/Siemens Technology and Services Private Limited</td>
<td></td>
<td></td>
<td>Current form 27 is designed keeping in mind a specific technology area, such as pharmaceutical and hence needs to be amended keeping in mind different technology areas and nature and complexity of these technology areas. It does not take into account that:</td>
</tr>
<tr>
<td></td>
<td>(Ms Miriam Divya Williams</td>
<td></td>
<td></td>
<td>- Not every patented invention can be realized into a product or a service and cannot be made available to the public on a large scale</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:miriam.williams@siemens.com">miriam.williams@siemens.com</a></td>
<td></td>
<td></td>
<td>- There are patented inventions which are not directly implemented in a single product and yet are made available on commercial scale.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- In some cases, the patented inventions may be implemented in a server outside India but still can be used in India as a service for analyzing/visualizing product and process data (using cloud computing technology).</td>
</tr>
</tbody>
</table>

| ii. Form 27- amendments required |
| 1) Revised Form 27 can have following fields to indicate working of patented invention: |
| a. Product or process comprising the patented invention is worked in India. |
| b. Product or process comprising the patented invention is being worked in India. |
| c. Product or process comprising the patent invention is not yet worked in India. |
| d. Product or process comprising the patent invention is cannot be worked |
2) A field in the revised Form 27 which enables submission of details of other related patented inventions associated with the same product or process.

3) A declaration that “The Patentee hereby declares that the information provided above is true to best of my/our knowledge. The Patentee would provide additional details on working, non-working or inability to work patents upon application of compulsory license or on special request from the Controller.”

4) Fields which reflect a list of conditions where the above mentioned “special request” is evaluated. For example, the list of conditions can include:
   a. Technology of patented invention: The Patent Office can regularly notify what technologies fall under “special request” in view of public interest. For example, pharmaceutical, medical, renewable energy, etc. may fall under public interest and therefore qualify as a “special request” from the Controller.
   b. Issuance of a compulsory license for the corresponding patent in any other country outside India.

Form 27: Problems

It is submitted that it was not the intention of the legislature to obtain working statements for all patents granted by the Patent Office. It is clear that working requirement was introduced to ensure patents are worked in India on a commercial scale and to check possible abuse of patent rights by granting compulsory licenses.

Confidentiality obligations of the patentee

Patent licensing plays a vital role in technology commercialization. The Form i.e. Form 27, which prescribed under the Statute for furnishing working details of patents has the potential to encroach upon commercial sensitive information of an entity. Most license agreements have confidentiality clauses that restrict the parties to disclose the terms of the license agreement, except under very limited circumstances. In such cases patent owners are legally bound to maintain confidentiality with regard to important business information of its licensees. A breach of confidentiality may increase the risk of potential litigation against the patentee.

Since Section 146(3) allows for public disclosure of a document, any such disclosure in Form-27 with regard to commercial agreements shall seriously prejudice interests of a licensee as well.
as a licensor. Public disclosure of such information may provide an unfair competitive edge to the unwilling licensees over the willing licenses, more so in cases relating to Standard Essential Patents. This will threaten businesses, hurt global licensing models and will potentially have a chilling effect on innovation cycle.

Furthermore, proviso to Section 69 (4) of the Patents Act clearly recognises that a patentee can request for a confidentiality protection in respect of its license agreement with a third party. However, Form 27 in its current form does not provide any such options to a patentee which is not only contrary to spirit of Section 69 of the Act but also goes against mandates of various judicial dictums wherein the courts have constituted confidentiality clubs in relation to the production of patent license agreements in judicial proceedings.

Accordingly, it is imperative for the Patent Office to adopt a flexible approach for cases where there is a claim of confidentiality by the patentee. Non-submission of such information ought not to be regarded as non-compliance of Section 146 of the Act.

One product-one patent approach
In the past few decades, the pace and speed of technological advances has resulted in an increasing trend of products and services being rapidly commoditized by new products and services, which create new markets. This trend is more visible in industries such as Information and Communication Technology (ICT), Electronics, Semi-conductors etc. Much conventional wisdom in the patent system is built on the unstated assumption of one product-one patent approach. However, in many industries, a single product may be covered by numerous patents. For example, a computer, television set, video technology may be protected by
hundreds of patents. Such a situation may not have been anticipated by the legislature at the time of enactment of the said provision.

In such situations, it becomes almost impossible for the patent holder to isolate the patents in a product for the purposes of apportioning the exact value of sales attributable to each of such patent. Thus, such difficulties are required to be acknowledged and ought not be considered as instance of non-compliance of the relevant provisions of the Patents Act, 1970.

• Rigid Requirements regarding valuation of a patented product

The current Form-27 requires a patentee to provide the exact quantum and value (in INR) of the patented product. However, the vast majority of the products developed by the patent holders in various industries are technologically complex, incorporating hundreds of thousands of different components which are covered by numerous patents. In such cases, it becomes impossible to assess the exact value attributable to a single patent.

• The present requirement goes against various government initiatives

It is to be noted that the present day strict compliance requirement of working of patented inventions in India goes against the government’s objectives of minimum government, maximum governance and also goes against the spirit of other initiatives taken by the government to promote patent filings in India such as Start-Up India. Such a strict and rigorous compliance of the working requirement, though ideal and well intentioned in prospect, will in fact discourage patent filings.
Further, the requirements relating to 'reasonable price' and 'public requirement being met' are ambiguous and vague. Section 122(2) states "If any person, being required to furnish any such information as is referred to in sub-section (1), furnishes information or statement which is false and which he either knows or has reason to believe to be false or does not believe to be true, he shall be punishable with imprisonment which may extend to six months, or with fine, or with both". Providing such information can become really difficult for a patentee. Further if a patentee unintentionally providing incomplete/incorrect information, the same may result in penal provisions under Section 122. Hence, despite acting with utmost bona fide, a patent holder would be put in a dilemma on the manner in which accurate, correct and complete information is to be submitted in Form-27. Accordingly, an undertaking to the said effect ought not to be required from a patentee.

II. Possible revisions in the existing Form-27

Form-27 should be made clear and concise for the patentees to provide the relevant information. It should not be misused as a tool for conducting patent valuation. Furthermore, as stated above, extensive information qua working of patented technologies should only be asked in proceedings relating to the grant of compulsory licenses and should not be made a norm for all inventions. Accordingly, we suggest following format for submitting information relating to working of the patent:

<table>
<thead>
<tr>
<th>Form-27</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name, address and nationality of the patentee:</strong></td>
</tr>
<tr>
<td>2. <strong>Patent Number/License Number:</strong></td>
</tr>
<tr>
<td>3. <strong>Nature of Invention:</strong> (Chemical/Information Technology/Mechanical):</td>
</tr>
<tr>
<td>4. The patented invention (tick the relevant one) A. Worked</td>
</tr>
</tbody>
</table>
### B. Not worked

**Additional comments (if any):**

To be signed by person(s) giving the statement:

<table>
<thead>
<tr>
<th>55</th>
<th>Sunita K Sreedharan SKS LAW ASSOCIATES, New Delhi</th>
<th>IPR Professionals Firm</th>
<th>Form 27</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Form 27</td>
<td>- The working of Patents is within the scope of TRIPS Agreement (Art 5A of the Paris Convention read with Articles 2.1, 2.2, 27, 30 and 31 of the TRIPs Agreement.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Form 27</td>
<td><strong>Form 27 - Problems and amendment</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Form 27</td>
<td>- <strong>These provisions are not business savvy.</strong> Form 27 requires the information on assumptions which can be very detrimental to a company especially where market competition works on trade secrets and confidentiality pertaining to business information.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Form 27</td>
<td>- Amend the term “calendar year” in Rule 131 to read as “fiscal year” and corresponding amendment in Form 27 , since requiring information for one calendar year is unreasonable.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Form 27</td>
<td>- <strong>The principle of 1 patent equal to 1 product is not a reality</strong> Form 27 applies to patents in diverse fields of technology. However, in all fields of technology, not pertaining to pharmaceutical patents, there is a likelihood of one product having a multitude of patents all at different stages in the life cycle of patents; some patents being granted earlier and some later in time.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Form 27</td>
<td>- The assumption in the Form 27 for the <strong>value of the patent in proportion to the price of the product is a major pain point.</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Form 27</td>
<td>- <strong>Trade Secrets and / or confidential commercial information</strong> Information such as pricing policy, licensee information, area of operation, quantum of unit sold per annum etc. are confidential commercial information of a company. Since this information is put out in public domain there is a likelihood that information on Form 27 may not be relevant. Part of the information may be kept confidential with the Patent Office; which may be difficult until such time that India enacts a Data Protection Law.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>56</th>
<th>Mehta &amp; Mehta Associates, Delhi</th>
<th>IP Professional Firm</th>
<th>Form 27</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Publications of Working Statements: It is respectfully submitted that most of the information required under working statement are of commercial importance to a Patentees / Licensees and often may lead to disclosure of trade / marketing secrets. Hence, it is suggested that such information is kept confidential and is</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

yes
not published. However, if it becomes mandatory to publish such information, then an opportunity be afforded to the Patentees / Licensees to reason against the same, if required.

It is suggested if under amended working statement format value of patented product produced is not called for. However, if such information is still required in proceeding like deciding grant of compulsory licenses, same can be requested separately.

Action against non-compliant patentees / licensees

That before any severe action is taken;
- Opportunity to re-file information within reasonable time is granted to all patentees / licensees to avoid panic.
- A mechanism should be set-up to avoid filing of working statement by unauthorized agents.
- Further, a clarification should be issued as to what steps will be taken by IPO to provide confidentiality under section 146(3).

| 57  | i. Nisha Biswal  
President, U.S.-  
India Business  
Council (USIBC)  
ii. Patrick Kilbride  
Vice President,  
Global Innovation  
Policy Center (GIPC) | USA  
Industr 
Y Associa 
USA | i. S. 146 and Form 27  
Recommendation:  
- we recommend a reassessment of Section 146 of the Patents Act and subsequent elimination of the existing manner and form of working statement requirements.  
- In the interim, simplifying Form 27 to address ease of doing business concerns can serve as a step in the right direction.

ii. Form 27- Comments & Suggestions  

a. Obsolete Nature: it’s been more than 45 years since the inclusion of section 146 in the Patents Act, which is outdated and undesirable in context of changing industry dynamics.

b. Disregarding Innovation:  
- In the context of ICT patents, one product may involve one or multiple patents licensed via patent portfolio, for which the patent owner may not be aware of which specific patent is used in the product.
- Form 27 does not cover portfolio patent licensing, and therefore, it’s difficult (if not completely impossible) to apportion each patent with a revenue | yes | yes | yes |
earned.

- It is impractical for a patentee to rip apart/disassemble each product (millions in number) to then find out which of the patents from the portfolio so licensed have been worked.

- There is no other country that has similar working requirements.

**c. Compromising Confidentiality:**

- Business/commercial information pertaining to sales and quantities of the product may be contractually covered by confidentiality agreements as part of a global licensing agreement between the parties, or a business strategy. Providing the quantity and the sales amount provides clear information to the competitor on the business strategy. **To this extent, the patentee/licensee should not be forced to provide information which they feel is confidential.**

- Disclosure, if any required in the interim to reassessment of Section 146, should be limited to either “worked” or “not worked.”

- Confidentiality is further compromised with conflicting legal requirements – for instance, Section 69 (4) versus Section 146 of the Patents Act.

**d. Licensing Bottlenecks:**

- Working Statement in India is potentially impacting foreign licensing deals too as there is always a potential threat of calling for detailed licensing terms and conditions under a public interest litigation (PIL).

- Considering immense/unnecessary burden (immense engineering working hours) and compliance cost, in additional to increased risk of depriving licensees/licensors from retaining confidential business information, the continued use of Form 27 will actually hurt public interest as diffusion of technology through licensing will become difficult.

- Licensees and licensors will not be able to negotiate freely and voluntarily to strike a win-win licensing deal.

**e. Duplicative Effort:**

- There are several provisions offered in the Patents Act that already check and balance any potential abuse of patent rights.

- Conflicting legal requirements further exacerbate duplicity. For example, Section 69(4) of the Patents Act requires the Patent Office to keep registered patent license agreements confidential when accompanied by a
confidentiality request. This conflicts with Section 146 of the Patents Act that appears to require the Patent Office to publish the same information as reported through Form 27.

- Furthermore, in such cases wherein both the patentee and the licensee need to furnish working statements, any difference in the sales and quantities of both could be construed as a false statement by either party. This could also attract penalties under Section 122 of the Patents Act.

f. Arbitrariness:
- Questions on Form 27 also include a list of open-ended questions which could be interpreted in an arbitrary manner. For example: “State whether public requirement has been met partly/adequately/to the fullest extent/at reasonable price.” This affirmation by the patentee/licensee is not logical since no patentee/licensee will mention that the public requirement is not met.

- Furthermore, it is difficult to ascertain compliance or the lack thereof given the vagueness of the definition of “working” as well as the arbitrariness around when and under what specific conditions the Form would be invoked during the course of the year.

g. Disproportionate Penalties:
- The nature of arbitrary questions could lead to further misinterpretation if meeting the public requirement may be construed as a false statement which may lead to punishment with fine and/or imprisonment under Sec 122.

- Since Form 27 is unclear regarding many issues, the applicant might wish to be safe and avoid filing Form 27 so that the applicant is not penalized under section 122(2).

- However that option is also taken away from the applicant with a fine levied of up to INR ten lakhs (approx. US$ 16,666) for every statement not filed. Such a penalty is not only disproportionate, but unnecessary. We recommend that such a question/statement be deleted.

h. Defying Ease of Doing Business:
- Form 27 must be filed annually by the patent holder apart from paying the maintenance fees and other fees. This step is an extra burden on the patentee. Non-compliance to Form 27 post patent grant may lead to penal liability for the patentee which discourages innovation.
Furthermore, the burden of compliance imposed under Section 146 coupled with Section 122 not only affect large foreign investors but will also deter domestic patent filings, including for small and medium enterprises (SME) and startups.

Compliance with Form 27 comes with huge administrative burden and cost, and startups are under continued threat of being exposed to legal repercussions in case they are found to have not been able to comply with existing Form requirements.

On the contrary, working statement requirements deter the initiatives launched by the Government of India (GOI) aimed at boosting domestic patent filings and innovation, negates their ongoing efforts to increase patent office efficiency, and ultimately defeats the good intentions of the GOI's 2016 National IPR Policy.

Form 27 compliance is not only detrimental to the success of the Government of India (GOI)'s National Intellectual Property Rights (IPR) Policy but also critical government initiatives such as Digital India, Make in India and Startup India, which aim to promote technology transfers, innovative development, and licensing.

| 58 | Komal Katha  
Senior Counsel  
United States  
Patent and Trademark Office  
Office of South Asia  
United States  
Patent and trademarks Office  
Komal.Kalha@trade.gov | **US Government** | **Form 27- Comments/Problems and Recommendations:**  
U.S. industry stakeholders cite India's patent working requirements and related notifications to the Government of India as a key IP and ease of doing business concern in India. They indicate that current requirements for information are both burdensome and a threat to protecting commercially sensitive information. They have expressed deep concern over costs involved in producing these statements, uncertainty over the information required, and apprehension over the sensitive business information that may be sought. These concerns are exacerbated by potential penalties under Section 122 of the Patents Act.  
India's current system of requiring annual working statements through Form 27 to give effect to Patents Act Section 146(2) and Patent Rule 131(1) is excessively onerous and costly for patentees and ill-suited to the reality of patented technology.  
The current Form 27 includes:  
- ambiguous and subjective fields, such as "commercial scale," "value," and "public requirement."  
- Even the fundamental concepts of "working" and "non-working" in this
context are not fully understood by many patentees. We also question the utility and appropriateness of requiring the nationality of the patentee to be disclosed.

- Form 27 does not align with current trends in the commercialization of innovation. Across a broad range of technologies, it is rare that a single patent covers the entirety of an individual product. It is far more common that a product may comprise several patented and unpatented elements. This complex reality makes it difficult for patentees to ascertain the "quantum" and "value" of a patent as contemplated by Form 27.

- In addition, for some companies, licensing arrangements for their technologies can amount to some of the most sensitive and valuable business information. If that information is revealed, it may put a company at a competitive disadvantage in the future. Also, given the subjectivity of many of Form 27's fields, if patentees, licensees, and sub-licensees submit conflicting statements because they use differing standards of assessing value and quantity, would this pose a risk to any of the parties?

- Companies must invest significant amounts of time, effort, and money to produce the information necessary to maintain compliance with Form 27. For MSMEs and those with large patent portfolios in India, the legal and institutional costs can be excessive.

- The unintended consequence may be a decrease in R&D and experimentation in India. This situation would likely make it more difficult for India to achieve the innovation objectives contained in the National IP Policy, Start-up India, and other high-level initiatives. To this end, recent initiatives to improve India's IP administration, including through increased hiring at the Indian Patent Office and reducing pendency, could be facilitated by divesting the Indian Patent Office with overseeing and evaluating regular submissions of Form 27.

- If the Government of India is soliciting these views with the intention of reforming the Form 27 system, the United States urges India to take the opportunity to significantly improve the ease of doing business, enhance predictability and certainty for innovative industries, align with international best practices, and help achieve National IP Policy, Start-up India, and other national initiatives by eliminating the requirement for patentees to regularly file Form 27 statements. At the same time, India should refrain from applying such onerous penalties to violations of this type.
| 59 | Varun Sharma  
Patent Analyst | the patentee does not have full knowledge of the status of development by a licensee of a product covered by the patent, can the patentee incorporate some appropriate wording in its form 27 to safeguard him against potentially incomplete statements made? For instance, can the patentee state “to our knowledge the patent is not worked because.....”?  
If both the patentee and the licensee can submit a form 27, detailing the status of their development stage of a product covered by the patent, can a patentee be liable for incorrect statements made by the licensee on the licensee’s form 27 for the licensed patent of the patentee? |
| 60 | Srividhya Ragavan  
Professor of Law  
Texas A&M School of Law  
Fort Worth, TX – 76102 | **i. Form 27 requirement is justified:**  
- I support the underlying broad proposition that patent working norms lie at the very heart of patent systems of developing countries such as India. The Indian statute's provision incorporating the local working requirement is a reflection of a negotiated flexibility fully authorized by the Doha Declaration. India needs to stand-by this requirement  
- There is an inherent quid-pro-quo in requiring the patentees to disclose whether they are locally working their patented invention in exchange for the conferred benefits.  
- In this regard, requiring licensees to make a full and complete disclosure of the patent working information through Form 27 would not be considered out of the norm. It is equally important to appreciate that the WTO rules does not prohibit getting information on the local working.  
- I strongly believe that Form 27 should be an important statutory mandate that ensures public scrutiny of the true extent to which the patent has been licensed and worked nationally.  
**ii. Form 27- amendment :**  
- Current format of Form 27 remains insufficient to accomplish the task of getting complete disclosures on the working of the patent.  
- The objective should be to amend Form 27 in a manner  
  a) rectifying the deficiency of not requiring exhaustive information from the patentee, and,  
  b) to encourage transparency from the patentee.  
- Thus, Form 27 needs to seek exhaustive details about:  
  a) local working details,  
  b) the compositions or details of a prior patent on any element of the application material, and |
c) preserve the discretion of the Controller to seek more information if required.

iii. Penalty:
• On the question of whether a patentee who "knowingly abuses" the requirement by not providing information should be subject to punitive measures, I believe that liability should be strict civil liability if there is non-compliance. I agree and support the idea that India should institute specific strict civil liability for not fulfilling all the details of Form 27.
• If the patentee has not exhaustively disclosed information, knowledge should be presumed and the patent (and related patents, if any) should be subject unenforceable.
• Non-disclosure in Form 27 should create a strong presumption that "reasonable requirement of the public" under section 84 has not been fulfilled, thus leaving the patent open for compulsory licensing.
• As for the question of whether such a patentee should also be subject to criminal liability, it is up to India to determine whether to impose criminal penalties in addition to civil liabilities. If sophisticated patent owners/holders who violate patent filings are not be subject to criminal penalty, I believe that it dilutes the system and will result in rampant misuse.

iv. Worked/not worked:
• With regard to a non-drug patent, if a patentee is genuinely not aware of which patents from a bundle of licenses are worked by the licensee, then Form 27 may include the option "Not known to have been worked or not worked."
• However, if the patentee ticks off the option "Not known to have been worked or not worked", then the patentee should be obligated to provide information within a certain period, upon written request by the Controller or any public, on the working or non-working of the patent for which the option "Not known to have been worked or not worked" has been exercised.
• The failure to provide this information should result in the patent at issue, i.e., the patent for which the option "Not known to have been worked or not worked" has been exercised and information on the working or non-working of the patent not provided, to be held unenforceable for fraud on the India Patent Office.
v. The Green Book, if India adopts it, would be concerned with information on other related patents. India has clearly taken a stance on patent linkage issue. The question of creation of a Green Book should be separately considered. I believe that this issue is distinct from seeking information on the local working of a patent, which is Form 27.

61  Ashwani Balayan
ALG India Law Offices LLP

New Delhi  IPR  Professionals
Firm

Form 27  Recommendations:

1. Para 3(iii) of Form-27: It reads, “State Whether public requirement has been met partly / adequately / to the fullest extent at reasonable price.”

I suggest deleting this reference in Form-27 altogether. The nature of such 'information' often tends to be view-based rather than objective and fact-based. To try to provide fact-based and meaningful information would entail substantive business studies involving public surveys and research into the demographics of target consumers, the buying power of consumers, the alternatives available in the market, etc. This can be a particularly onerous and cost-intensive burden. The usefulness of self-attestation by patentees/licensees on public requirement being met and reasonable pricing is anyway debatable.

2. Para 3(i) b of Form-27: “Whether patented invention worked in India or not; If worked – quantum and value (in INR) of the patented product manufactured in India, and imported from other countries (with country-specific details).”

I suggest that it should be possible to provide the quantum and value in terms of selecting between pre-set ranges or slabs. Data provided in this form (of range, instead of exact numbers) would achieve an increased ease of compliance without compromising on the objectives behind seeking this information.

3. Filing of separate Form-27 in respect of each granted patent:
It should be possible to file a single Form-27 for multiple (related) patents. Companies license its patents in blocks, which are often used in respect of same/similar product(s). In such case, it is inconvenient (at times, near impossible) to bifurcate the data for each such related patents.

4. Para 3(ii) of Form-27: “the licenses and sub-licenses granted during the year.”
I suggest that it should not be made mandatory to disclose the terms of license/sublicense granted by the patentees.

The details of licensees/sub-licensees along with the details of working (such as the quantum of products imported/ manufactured by the licensees/sub-licensees, and the market value of such products) will be more than good to
achieve the objectives behind seeking this information. The Patentees/Licensee are anyway under an obligation under the Patents Act to register any instrument of transfer/creation of rights in a patent (such as for assignment, license, mortgage, etc.), without which the instrument is inadmissible as evidence in any court of law or Patent Office.

5.   Para 3(i) of Form 27: “The patented invention worked or not worked”. In the absence of a clear definition of 'Working of Patent' and also ambiguities in whether import amounts to working or not, there are challenges in trying to meet the requirement (viz. providing information of whether the patent was worked in India). Whether the patented invention was worked in India or not should be determined by the Patent Office on the basis of other information provided in the form.

6.   Rule 131 of the Patent Rules, 2003: “The statements shall be furnished by every patentee and every licensee under …..” I recommend that ”and” (emphasis added) be changed to ”or” in the above rule, as it is not only redundant to have the same information being furnished by both the patentee and licensee, but it also amounts to an added responsibility on the licensees.

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<th>62</th>
<th>Yogesh Pai</th>
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<td>Assistant Professor, NLU Delhi</td>
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Form 27: Disclosure of licensing details
- The demand favouring the disclosure of licensing details is deeply problematic for several reasons, which I argue are also against the letter and spirit of the Act.
- It is certainly not the case that patentees/licencees cannot provide such privately available information. But the core question is if such confidential information contained in Patent Licensing Agreements (PLAs) can and ought to be subject to public disclosure under Section 146(3) of the Act.
- In order to make the disclosure of licensing information more effective, the petitioner has demanded that FORM 27 must require disclosure of specific details viz., “whether the patent has been licenced in the first place; if so, it must then call for more elaborate details, such as the names of licensees, broad terms of licence, whether products are being manufactured under the licence, whether such licenses are exclusive or not, etc.”
- Not surprisingly, such a requirement to disclose the terms of the licence will include licensing rates and other terms and conditions contained in PLAs. Licensing information, specifically on price and non-price conditions, can be considered as sensitive for both the parties involved in a licensing deal.
While such information may be readily available with the patentees/licensees in PLAs, it is damaging to require them to disclose confidential information contained in them. This will risk making the patent rights redundant in India and in all those jurisdictions where patentees are engaged in licensing activities involving similar patent portfolios.

- Any forced disclosure of confidential terms contained in PLAs through FORM 27 defeats the voluntary bargain that patentees and individual licensees can strike based on prevailing market conditions. Disclosure of confidential licensing terms and conditions may have an irreversible impact on the bargaining power of the parties.

- Perhaps, it is for this reason (i.e., to preserve bargaining power between the patentee and several existing and potential licensees) that the current format of FORM 27 does not seek specific details of a license and leaves it to the patentee/licensee to give any available details.

- Can FORM 27 be amended to seek confidential PLA terms?
  - A request to amend FORM 27 to require further details on confidential licensing terms or force mandatory public disclosure of such licensing terms raises some difficult questions, which could potentially be a subject of an Ultra Vires challenge.
  - Any change in FORM 27 to adduce more information on commercial working, such as requiring the disclosure of confidential terms of PLAs, runs into the risk of violating other provisions of the Act. This is specifically when such confidential terms in PLAs may be publicly disclosed by the patent office. Even if the Central Government unilaterally or under a judicial order agrees to amend FORM 27, it will have to take the parliamentary route to bring in any irreversible change in FORM 27 since it primarily affects the nature of confidentiality of licensing information preserved by the proviso to Section 69 of the Act.

Form 27:

- Comments/Problems:
  - For some of the patented inventions which are worked in India, it is difficult to provide the total value of the patented product. (Such as inventions pertaining to process, data transmissions, authentication of products, etc.).
  - When manufactured in another country, it is not possible to provide Total Value of Patented product manufactured or sold in that country.
  - In some of the patented invention, it has been observed that some part of the patented invention is manufactured in India and remaining part(s) are
manufactured in other countries; however, there is no such provisions on IPO online portal of F-27 to fill such information. (Such as in case of Automobiles inventions, etc.).

- When the patentee is using his technology in their product(s) or is licensing his technology to other(s), it generally comprises of multiple patents to form a single product and therefore it is not possible for the patentee to calculate the commercial value of an individual patent. (Such as in case of telecom industry, automobiles, etc.).

- For some of the patented inventions which were licensed, it is not possible for the patentee to keep track of the further sub licensee(s).

- In some scenarios we have observed that a worldwide assignment is made on the patented technology (such as in composition used in making lubricants, part of a product such as in aerodynamic inventions, etc.) with a licensee, who thereafter may or may not sub license/use the patented technology in the countries mentioned in the worldwide license. Further, we also observed that it is difficult for the licensor (i.e. patentee) to obtain information pertaining to working of invention in some specific country (such as in India) from the licensee. In such scenarios, it is difficult for the patentee to fill details regarding working of invention or commercial value of the patented technology in India.

- In some of the patented invention because of the confidentiality agreement between the licensor (i.e. patentee) and licensee it is not possible to disclose the name of the licensee(s). (Such as technology pertaining to anti-counterfeiting, confidential license agreement with Governments, etc.).

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**Dr.Shital Chopra**

**ASSOCHAM New Delhi Industry association**

**Form 27:**

i. **Existing Form 27 is not attuned to changing Industry Dynamics**

- Basic principles of working of inventions are listed under Section 83. Thus Section 146 and Rule 131 empowers the Controller to request for information about working of patents in India strictly for the purposes mentioned under Section 83.

  However, nothing mentioned in Form 27 would enable the Controller in determining the considerations prescribed under Section 83.

- Further, existing Form 27 is archaic and is not attuned to changing industry dynamics where different models are adopted to ensure that patented inventions are worked. Models may include manufacturing, licensing, cross-licensing, contracts etc. Existing 27 is not aligned to changing Industry dynamics and deserves consideration for appropriate amendments by IPO.

ii. **Problems with existing provisions and changes proposed:**
a. **Portfolio Licensing:**
Existing Form 27 is based on presumption that one product is equivalent to one patent. However such a model is non-existent and one product is not based on one patent but is actually covered in portfolio of patents and such portfolios are owned by different Patentees. For example, mobile phones, tablets, smart watches, etc. which might incorporate multiple inventions covered in multiple patents. The existing working statement is required to be filed individually for each patent.

**Solution proposed:**
- There should be provision in Form 27 for single statement for multiple patents (e.g. Patent Nos...., ..., or Patent Nos......) not worked singly but in a cluster with reasons substantiating the same or in the alternative;
- Specifying that the single patent forms a part of the portfolio license.

II. **Existing requirements impinges upon Confidentiality:**
Under a Licensing model, IP owner is under an obligation to keep important business data concerning licensees as confidential. Form 27 impinges upon that "Right to Confidentiality". Each license agreement is unique and there cannot be one-size fit all model and hence licensing terms and conditions varies and are market driven. Any such disclosure in Form 27 with regard to commercial arrangements shall seriously prejudice interests of licensee as well as licensor. Such information may be misused by unwilling licensees to gain competitive advantage over willing licensees. This can also be misused by unwilling licensees to get this important data out in public domain. This will increase litigation costs substantially where IP owner will be sued by licensees for the breach of confidentiality or for not being able to secure confidential business information such as sales figures, anticipated revenue/profit.

This will threaten businesses, hurt global licensing model and will potentially chill innovation cycle.

**Solution proposed:**
- Given the fact that some of the information that need to be furnished are business/commercial information and not necessarily on whether the patents are worked or not (e.g. related to licenses and sub-licenses granted, etc.), they need to be deleted.
- Further, while the requirement of notifying whether worked through
manufacturing or licensing or by importation could be retained but the requirement for providing quantum and valuation needs to be removed.

III. Filing requirements increases substantial work load and Paper work

Filing of Form 27 for all patents is mandated every year even for those patents [or which the working statements have been filed the previous year. This unnecessarily increases paperwork and engages considerable time. Thus. filing working statements for each patent, so granted, until the time it Expires, increases immense pressure on IP owners and also impacts *Ease of Doing Business in India*.

**Solution Proposed:**

There should be two sections of the form, one for first time filing (for patents granted within the last three years) and another section for those cases where the working statement had already been filed in the previous year and being continued. There might be a sub-section in this section for those cases in which the mode of working has changed (e.g. from Manufacturing to Licensing).

iv. **Mode of Working and Filing liability:**

There is need to provide clarity on Working through importation

**Solution Proposed:**

In case where Patents are worked via licenses, and one party should file FORM 27, i.e. the Patentee (Licensor) or the Licensee. The burden should not be on both the parties.

v. **Difficulty in determining whether the patented invention has been worked or not:**

In view of the large portfolio of patent applications that are pending before the Indian patent office for patentees and in respect of patents granted to the patentees worldwide, and an equally large portfolio of products developed and sold in India and abroad, the patentees often find it extremely difficult to determine whether the invention of a given patent has been worked in India or not.

Further, there are thousands of inventions covered in a given products. Implementation of each invention is not centralized and are often handled by different groups in the patentees' organization across the globe. Such factors render it extremely difficult for the patentees to conclusively ascertain whether...
a patented invention is worked or not worked in India

Therefore, in case Form 27 is mandated, the Applicant should be allowed to write the following: **It is not practical to determine conclusively whether the patent has been worked or not. Further, we have not received any feedback from anyone in India that the patented invention is not available in India adequately or at affordable price.**

VI. Difficulty in determining whether the patented invention met public requirement partly I adequately I to the fullest extent:

It is extremely difficult to collate the data that would enable the patentees to conclusively select anyone of the categories mentioned in Form 27. Therefore, in case Form 27 is mandated, the Applicant should be allowed to write the following: **It is not practical to determine conclusively whether the public requirement has been met adequately. We have not received any feedback from anyone in India that the patented invention is not available in India adequately or at affordable price.**