

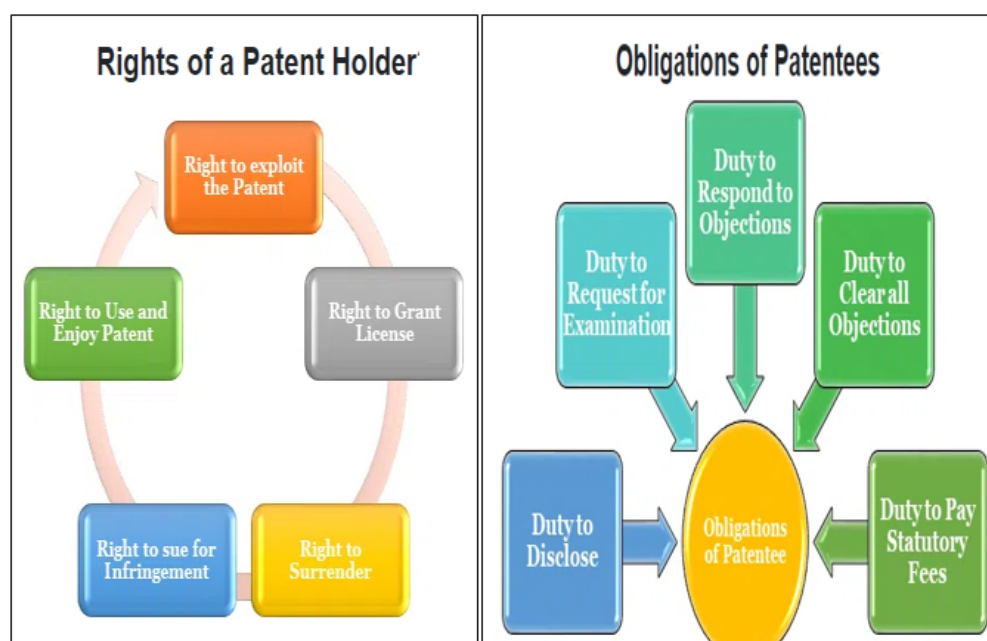
## Patent Applications and Clearances in India

### Why in News?

In FY24, domestic patent applications have outpaced foreign ones for the first time, an analysis of Indian patent data shows.

### What is a patent?

- **Patent**- The word "patent," as used in the ***Indian Patent Act of 1970***, refers to a patent issued *for a novel technique or item* involving an innovative step and suitable for industrial use.
- **Coverage** - It covers either the *product or a process*.
- **Patent Rights** - It provides the *inventor exclusive rights* to the patented process, design, or invention for a certain period in exchange for a complete disclosure of the invention.



*The Supreme Court of India in **Novartis v. Union of India** recognized the need to curb the “Evergreening” of patents while acknowledging the need to grant patent protection to incremental innovations.*

- **Evolution of patent regime in India** - India inherited its patent regime from the British rule.
- At the time of independence, the ***Indian Patents and Designs Act of 1911***, was in force.

- It had created a system of patent administration in India under an administrative office the Controller of Patents and Designs.
- Post-independence, India enacted its first independent patent law in 1970.

*Indian Patent Act of 1970 came in the backdrop of two committees namely the Bakshi Tekchand Committee in 1949 and, later, the Justice Rajagopal Ayyangar Committee.*

- **International obligations and commitments**- The Patents Act 1970 was amended to fulfill the obligations of international agreements and treaties to which India became a party
  - *TRIPS Agreement* of WTO
  - *Paris Convention* for the Protection of Industrial Property
  - The *Patent Cooperation Treaty* (PCT)
  - The *Budapest Treaty* on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure

To know about Patent Rule in India, Click [here](#)

### **What are recent trends of Patents in India?**

- **Granting authority** - ***Indian Patent Office*** is responsible for the grant of patents in India.
- It is part of the office of the Controller General of Patents, Designs and Trademarks (CGPDTM) under the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.
- **Timeline** - Patents granted today often stem from applications filed 4-5 years prior.
- **Recent trends in India** - ***Controller General of Patents, Designs & Trade Marks (CGPDTM)*** data showed the recent trends of patent applications and approval granted in India.
- **Higher domestic patent applications** - In FY24, domestic patent applications have for the *first time outpaced foreign applicants*.
- It is driven by increased applications in sectors such as chemicals, pharma, computer science and information technology.
- Domestic patent applications have been *steadily increasing since FY19*, bridging the wide gap between domestic and foreign applicants.
- **Skewed patent approvals** - Patents *approved for non-resident Indians and entities stood at 74.46% in 2022*, which is among the highest in any major economy globally.
  - Patent approvals, continue to be skewed in favour of foreign entities like Qualcomm Inc., Samsung, Huawei Technologies and Apple taking top spots, edging out Indian companies.

*In 2022 India was 6th worldwide in terms of patent grants wherein a total of 30,490 patents were granted.*

- **Dominance of foreign entities** - There is a *wide gap between domestic and foreign patent holders* reflects the inefficiencies in India's R&D capabilities.
- Foreign entities maintain a dominant share of patents granted in India, at *nearly two-thirds of the overall applications cleared*.

### Why Indian patent approval is lower?

- **Lower R&D activity in India** - India's poor patent approvals stems from lower R&D activities in India which results from *weak private investments* and *stagnant government spending*.
- R&D spending as a percentage of GDP is lower than the levels of 0.83% seen in 2008, the highest in the last two decades.
  - China spends 2.43% of its GDP on R&D, South Korea 4.93% and the United States 3.46%.
- It has resulted in Indian manufacturing depending on imported machinery, parts, and foreign technicians to fulfil export orders.

*World Intellectual Property Organisation data showed that the countries with high spending on R&D had a lower share of foreign patent approvals.*

- **Lower number of patent examiners** - The number of *full-time equivalent (FTE) examiners* in India as per WIPO stands at 597 who approved over 1 lakh patents last year.
  - Whereas, the EU has deployed 3,982 examiners, Germany 821 and the US over 8,000 examiners.
- **Foreign dependence**- Indian manufacturers are dependent on imported machinery, parts, and foreign technicians to fulfil export orders.

### What lies ahead?

- Establish Patent facilitation centers (PFCs) to assist innovators in filing patents.
- Promote Startup India initiative that offers rebates and fast-tracking of patent applications for startups.
- Conduct IPR awareness campaigns to educate stakeholders about IPR, aiming to increase the filing of domestic patents.
- Encouraging public-private partnerships to leverage resources and expertise, facilitating joint research projects and innovation initiatives.
- Provide financial and technical support to Micro, Small, and Medium Enterprises (MSMEs) for patent filing, implementing schemes that reduce the cost burden of obtaining patents.

### References

1. [The Indian Express | Recent Trends of Patents in India](#)
2. [WIPO | Patents in India](#)
3. [Ministry of Commerce and Industry | Indian Patent Office](#)



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