

**PRESENTATION:**

**COLLABORATION AMONG PATENT OFFICES:  
The Patent Cooperation Treaty and  
the TRIPS Agreement**

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Before I begin, I must thank Professor Takenaka for inviting me, and thank her team for taking care of me during my eight-week stay at the Law School. After listening to so much the last two days, and coming almost at the end of the summit, I do not think there is much left for me to say. In that case, my job now is to act as an intervener rather than the presenter of a paper. Many of my points have already been made. This is a high tech summit, and countries like India, my country, have not much to say because we do not have much to offer at the moment.

We've talked about harmonization, which is considered good for Japan, the European Union, the U.S., and thus, good for the whole world. I think the very premise of the Paris Convention says that patents that are industrialized are territorial in nature. I think that in harmonization that premise must be changed. Nevertheless, I am very happy because I have found at least one sympathizer with a different approach, one very close to my own, and that is from Professor Desantes. He said something that encouraged me to put across my viewpoint. He said that this process will take time. Of course, we can begin the process, but certainly there are difficulties and it will not be easy.

Let's look at the TRIPS Agreement. TRIPS tried to harmonize certain issues of substantive law to some extent, but on business left many matters unresolved. Furthermore, you can see that *invention* has not been defined; therefore, every country still has its own definition of invention.

Certainly, the Agreement prescribes a criterion of invention, but there are certain subject matters not subject to patentability, such as an invention that harms the public or morality, art inventions to treat human or animal bodies, and plants and animals adversely effecting the environment. The very fact that these matters are left out, or that the doctrine of "harm the public or morality" had been put in, gives liberty to nation-states to decide to grant or not grant a patent.

Once you say it is up to the country to decide patentability, the PCT recognizes that if the search report is published it is not considered internationally binding on the state party; it is just a national application.

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A country can exclude patentability on many grounds – as patentability has been defined in the convention itself, even in the regulations – based on what subject matters may be patentable or not and what is outside the scope of such authority. Examples include: scientific matters or mathematical theories; plant or animal varieties; schemes, rules, or methods of doing business; matters for treatment of human or animal bodies; mere presentation of information; and computer programs. Given that the PCT has left out computer programs and business methods, I do not know if you can make a PCT application....

**Meller:** When the PCT was drafted, business methods were not around yet.

**Verma:** I agree. However, as long as it states it, the differences will remain. But that is not my point. When research reports are made public, if the matter is against public policy and there are disparaging statements, the statements will be left out of the report. I think, Mr. Meller, you will agree with me about what I am saying regarding the PCT.

Furthermore, regarding the PCT examination reports, even the EPO does not accept them if they have been filed outside with any other search authority. They consider such reports *de novo* and the patentee or applicant must pay an extra fee for it. What is the sanctity of the PCT? We have big hopes; we are talking about it and receive the translations required.

Which bring us to another problem, translation, which is a matter of linguistic skill. Every translation is fraught with the danger of errors and inaccuracy, and that means the nation-states have a lot of work. Once the translations come in, nation-states decide their own criteria.

When we talk about the sovereignty of a state, that doesn't mean that the state just has a filing office. Sovereignty means that some power must be exercised. How that power will be exercised is the problem. I am not saying that no patent should be granted – I certainly would like the patent granted, because we in India see, like the entire western world, that the patent is an incentive for innovation, an incentive for inventiveness. Furthermore, it will likely result in our progress, though I am not certain of that. Every country has its own constraints; thus, India cannot simply accept this system lock, stock, and barrel in our country. The nation-state must decide what is to be adopted and in what manner.

As I said, the TRIPS Agreement itself leaves many matters unresolved. We are talking about collaboration, but it does not make sense to me to talk collaboration without harmonization. They have to go together. Collaboration on technical matters must be dealt with delicately. My country, at the moment, is in a very protective situation, as far as the patent office is concerned. We have many applications pending in the patent office. We have the head office in Bombay and three more regional offices. Can you imagine that we have only 44 patent examiners? Since we became part of the PCT in December 1998, there are now 400 international applications in the office and it will take time to get through them, at least four or five years. In fact, I would bet that it will not be before the patent will be granted and it will not be before four or five years.

Regarding current Indian law, we have yet to enact the new amendments. Our old act is still there. Until the new act is amended to be in consonance with TRIPS, when we have a patent related to process we have to give product patents in the pharmaceutical area.

Right now it is seven years from the date of filing, five years from the date of sale. With clinical tests, you can see there is hardly enough time for the effective execution of the patent. That means these patent applications, if related to the process, are useless.

Meanwhile, I do not see harmonization among the developed world, because there are differences between the countries on the scope and the breadth of the claims. There are differences in the application doctrine, finding on obviousness, best mode, requirement regarding novelty, and grace period. Furthermore, the first-to-file and first-to-invent controversy continues – I hope it will be resolved.

With regard to technology inventions, there are considerable issues of public harm and morality, health, and environment. I am not talking about the criteria of patentability itself, non-obviousness, and all those things. The issues stated – most contested between the US Patent Office and the EPO – may take a long time to resolve, as far as the EPO is concerned. Similarly, plant genetic systems cases have the same problem in the EPO. Furthermore, the human genome sequence presents a very controversial issue with respect to whether a patent should be granted or not. As I see it, the U.S. does not have the provisions on public harm and morality and other things that Europe does. Many countries have them. As long as these provisions exist on the statute books, the differences between the patent offices are going to be there. So, amend those laws and then have the unification.

Regarding computer software inventions, Mr. Meller said that the factor that has a technical effect in all these things is novelty. However, Article 52 of the EPC states that they will not grant a software patent. They will certainly say that unless this invention has an inventive effect and it is novel; then it should be directed towards technical effect, not towards mathematical algorithm.

Somebody asked me why India is not granting software patents at the moment, when we are making certain strides in information technology. I am on a committee in the government discussing whether to grant. There are different and strong views. What we have achieved so far has been in software programming, not in hardware inventions. That means that at this juncture, most of us feel that if we grant patents, it is the foreign companies that will benefit and we will not benefit at all. That means there will be no future progress, as far as this industry is concerned. Personally, I feel that all the computer programs and inventions should receive protection. I don't think I hold the same view as the committee. Personally, I feel these things are incremental in nature, so why should they be granted 20-year protection when the technology changes overnight? Does anyone really need 20-year protection on a computer invention?

There are other problems on which countries certainly have differing approaches. Reacting to what Ms. Boland stated about global patents, are all these countries ready for global exhaustion of the patent rights? If not, then how can we discuss or even have global patents? Again, these are my own views.

I feel that what is required in developing countries, as prescribed in the TRIPS Agreement, is cooperation in administrative, legislative, and other matters for the uplifting of the patent offices. Nothing is forthcoming.

In 1994, I was in Manila and a team from WIPO and the Institute was also present. There were three persons. I spoke with them and they suggested three things to the Indian government: restructure the patent office, restructure the law, and constitute an intellectual

property institute. Yet subsequently, when they discussed the law, they meant that they would decide the law. But you see, no sovereign country will accept that. We would like to make the changes ourselves. The same is true with the position of substantive research results.

Thank you for allowing me to share my opinions.