

A COMPARATIVE ANALYSIS OF PATENTABILITY THRESHOLD IN INDIA, UNITED STATES AND UNITED KINGDOM

Disha Adhikary⁶⁰⁰, Amogh C.A⁶⁰¹ & Shweta Mallya⁶⁰²

Introduction

Patents are rights granted in respect of inventions, i.e. technological improvements, great and small, which contain at least some scintilla of inventiveness over what is known.⁶⁰³ The Utilitarian Theory enumerates that the availability of a useful product or a process to the mass will result in its applicability and also give an incentive to the society to further improvise on it and in turn led to a new invention and obviously the inventor gains the commercial and proprietary advantage. Although, it might seem like win-win situation; the flaw which continues to exist is the problem of free riders. Hence, there might be a situation where the invention is being exploited without further invention and there might be a scenario of stagnation. Another, drawback is that the commercial exploitation may lure individuals to claim patent for the minute things or mere discoveries; even pre-existing knowledge etc.

However, since Intellectual Property Rights have acquired sufficient jurisprudence the aforementioned consequences and its solutions reflect in legislations of various countries. The basic principles relating to patentability, novelty and obviousness of inventive step are of course common to all patent systems with varying degrees of rigour.⁶⁰⁴ The sole purpose of this paper is to give a fair idea about the parity in laws of different countries and to make an informed choice with regard to filing of patents.

Need for a Comparative Study

Inventors who desire global patent protection for their inventions, under the present patent system, are required to patent their inventions in every country. The current patent system functions

⁶⁰⁰ Student, School of Law, Christ University

⁶⁰¹ Student, School of Law, Christ University

⁶⁰² Student, School of Law, Christ University

⁶⁰³ WILLIAM CORNISH & DAVID LLEWELEYN, INTELLECTUAL PROPERTY: PATENTS,

COPYRIGHTS, TRADEMARKS AND ALLIED RIGHTS, (5th ed. 2003) ¶ 1-05.

⁶⁰⁴ J.W. Baxter: World Patent Law and Practice, Ed. 1968, pp. 73.

territorially and for an invention to be protected in multiple countries, patents must be obtained for each of those countries individually. This is a cumbersome process and the procedure differs from country to country depending upon factors such as whether the country follows the first to file system like India, Japan and other European countries, or the first to invent system like the US.

Patent System in India

The Indian Patent Act, 1970 holds that a mere discovery of a new form of a known substance or the mere discovery of a new use of a known substance would not be patentable.⁶⁰⁵ India being a party to the TRIPS Agreement expressly incorporates within its domestic legislation the ‘Patentable Subject Matter’, enumerated in Article 27 of the TRIPS Agreement, which reads as: “Subject to the provisions of paragraphs 2 and 3, patents shall be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application⁶⁰⁶ which indicates the qualification of the Novelty-Utility-Non obviousness test. Time and now it has been reiterated that mere discovery of a new form of a known substance which does not result in the enhancement of the known efficacy of that substance, unless such known process results in a new product or employs at least one new reactant⁶⁰⁷

The expression patent connotes a right granted to anyone who invents or discovers a new and useful process, product, article or machine of manufacture, or composition of matter or any new and useful improvement of any of those.⁶⁰⁸ The object of Patent Law is to encourage scientific research, new technology and industrial process.⁶⁰⁹

“Invention” means a new product or process involving an inventive step and capable of industrial application.⁶¹⁰ A bare perusal of the definition clearly shows that even a process involving an inventive step in an invention within the meaning of the Act. It is, therefore, not necessary that the product developed should be a totally new product. Even if a product is substantially improved by

⁶⁰⁵Commission of Intellectual Property Rights (CIPR) Report of September, 2002.

⁶⁰⁶ Article 27, TRIPS Agreement

⁶⁰⁷Asian Electronics Ltd.Vs.Havells India Limited 2010(44)PTC66(Del)

⁶⁰⁸F. Hoffman-la Roche Ltd. V. Cipla Ltd., 2008 (37) P.T.C. 71 (Del.).

⁶⁰⁹Bishwananth Prasad Radhey Shyam v. Hindustan Metal Industries, (1979) 2 S.C.C. 511.

⁶¹⁰Section 2 (1) (j), Patents Act, 1970.

an inventive step, it would be termed an invention.⁶¹¹ What is to be noted here is that patents are not only given on “new inventions” but also on “inventions” as defined in the Patents Act, 1970.

In the case of *Bishwananth Prasad Radhey Shyam v. Hindustan Metal Industries*, the Supreme Court observed: “The fundamental principle of Patent Law is that a patent is granted only for an invention which is new and useful.”⁶¹²

Invention must be distinguished from a discovery. However, it is and always has been a principle of patent law that mere discoveries or ideas are not patentable, but those discoveries which have a technical aspect or technical contribution are.⁶¹³

It is a well settled that patent protection cannot be obtained for a mere idea.⁶¹⁴ The principle of Patent Law is that an idea or discovery as such is not patentable. It neither forms a part of prior art or technique. It is the practical application of the idea or discovery that leads to patentability. It leads to patentability even if, as frequently happens, the practical application of the discovery has been made and stated.⁶¹⁵ If on the basis of a discovery or an idea you can tell people how it can be usefully employed, then a patentable invention may result. This would be the case even though once you have made the discovery or idea, the way in which it can be usefully employed is obvious enough. The concept of rocks floating in Ramayana is nothing but an idea described through the holy epic. A practical usage of it does not amount to disqualification under section 3 of the Patent Act, 1970.

Inventive step is a feature of an invention that involves technical as compared to the existing knowledge or having economic significance or both and that makes an invention not obvious to a person skilled in the art.⁶¹⁶ To meet the inventive step, there has to be a technical advancement or economic significance or both. The requirement of technical advancements, therefore, diluted and compromised by the fact that a patent could simply be granted on economic significance alone.⁶¹⁷

⁶¹¹Dhanpat Seth v. Nil Kamal Plastic Crates Ltd., 2008 (36) P.T.C. 123 (H.P.) (D.B.).

⁶¹²Bishwananth Prasad Radhey Shyam v. Hindustan Metal Industries, (1979) 2 S.C.C. 511.

⁶¹³Hardwood v. Great Northern Railway Co., 11 H.L.C. 654.

⁶¹⁴IBM Corp.’s Appln., [1980] F.S.R. 568.

⁶¹⁵Gale’s Appln., [1991] R.P.C. 305 (C.A.).

⁶¹⁶Section 2 (1)(ja), Patents Act, 1970.

⁶¹⁷Ram NarainKher v. Ambassador Industries, New Delhi, A.I.R. 1976 Del 87.

The Himachal Pradesh High Court in *Dhanpat Seth v. Nilkamal Plastic Crates Ltd.*⁶¹⁸ observed that it is not necessary that the product should be totally a new product, even if it is substantially improved by an inventive step, it would be termed an invention.

Moreover, Kitchin J. in *Novartis AG v. Johnson & Johnson Medical Ltd.*⁶¹⁹ noted that in order to sustain for lack of novelty, it had to be shown that the prior art contained a clear description of, or clear instructions to make, something that would necessarily infringe the patentee's claim if carried out after the grant of the patent.

Further, the Supreme Court of India in *M/S. Bishwanath Prasad Radhey Shyam v. M/S Hindustan Metal Industries*⁶²⁰ held that it is important that in order to be patentable an improvement on something known before or a combination of different matters already known, should be something more than a mere workshop improvement; and must independently satisfy the test of invention or an 'inventive step.'

Patent System in US

A patent must not be obvious and it should involve an inventive step. In the case of *Graham v. John Dere Co.*,⁶²¹ the US Supreme Court laid down certain factors to be considered to find out whether the invention was obvious or not. i) scope and content of the prior art, ii) difference between the prior art and claims at issue and, iii) the level of ordinary skill in the pertinent art. In addition, the courts may use secondary considerations such as a) commercial success, b) long felt but unsolved needs and, c) the failure of others to solve the problem.

USA has always been the hub of patent disputes topped the list amongst most of the developed nations due to which most of the companies operating in USA took up defensive patenting. In other words, most of the companies lacked motivation to sue. Another influencing factor being that litigation in USA is costly and it is often argued that the biggest beneficiaries of such disputes are lawyers. Due to the outdated procedures, limited resources and obsolete guidelines to encumber the patent system, it has led to an unjustified increase in disputes and suits by the speculative patent

⁶¹⁸ (2008) 36 PTC 123 (HP)

⁶¹⁹ 2009 EWHC 1671 (Pat)

⁶²⁰ A.I.R. 1982 SC 1444.

⁶²¹ *Graham v. John Dere Co.*, 383 U.S. 1 (1966).

holders against companies. Mounting legal costs and fear of litigation have been the two most crucial factors to retard technological development in the USA.

The U.S. Patent and trademark office (PTO) does not take into account such factors that lead to patent litigation. The number of patents filed have increased by five times in the past thirty five years as too many low quality patents were being approved⁶²² Another provision in law which increases their litigation is the right bestowed upon a third party to request for a reexamination of granted patents. As compared to the robust Japan and EU's 'utility model', a stipulated period of time is granted to the opposition to raise objections. This proves cheaper and more efficient as compared to litigation.

Due to the ever increasing problem regarding patent litigations and the inconveniences caused to several, President Obama signed a bundle of patent reforms which would be likely to flip the system into a far reaching one with reduced litigation expenses, improve patent quality and encourage innovation. The reforms target the 'Patent trolls'. They are speculators who claim overly broad patents and widely enforce their patents against alleged infringers and threaten litigation or settle for high licensing fees. The SHIELD Act protects the industry from unjustified and unwarranted litigation. The Leafy-Smith America Invents Act, on the other, switches the U.S. Patent system from an unsuccessful first to invent to a file inventor to file system which does away with interference proceedings and post grant opposition.

Patent System in UK vis-à-vis European Patent System

The UK primarily consists of three legal systems i.e., England and Wales, Scotland, and Northern Ireland, however, the substantive law of Patents is mutatis mutandis and the same in each. There exist two parallel tools for obtaining patent protection in Europe which includes filing in national patent offices and the filing of a single European patent at the European Patent Office in Munich designating those countries in which protection is sought. The latter mechanism provides considerable cost advantages to the patentee. The patent system in the UK is expensive but exceptionally thorough and therefore very effective in weeding out flawed patents.⁶²³ It is also important to note the availability of threat actions and cost penalties to deter the casual assertion

⁶²²TOSHIKO TAKENAKA, PATENT LAW AND THEORY 391(Edward Elgar Publications, 1st ed., 2008)

⁶²³International Patent Law, ISBN 978-1-587-62382-0, Lucas Bateman, Cobbetts Solicitors, Leeds.

of weak claims. A peculiarity of the European patent system is that once the patent is granted by the European patent office it transforms to local patents in each of the signatory countries that were designated in the application.

The House of Lords observed in *Biogen v. Medeva Plc.*⁶²⁴“Whenever anything new is done for the first time it is the result of some addition of a new idea to the existing stock of knowledge. Sometimes, it is the idea of using established techniques to do something, which no one had previously thought of doing. In that case, inventive step will be doing the new thing. Sometimes, it is finding a way of doing something, which people wanted to do but couldn’t think how to. Inventive idea would be the way of achieving the goal. If someone devices a way of solving the problem, his inventive step will be that solution.” The patentability of a natural product in a purified and more stable form is an issue which was dealt with in the *Merck* case.⁶²⁵ Chao Hick Tin JA held that, “There was no blanket rule that either endorsed or prohibited the patentability of differences in the degree of purity of a compound. Whether differences in purity of a compound were patentable would depend on the type of invention and the circumstances of each case.”⁶²⁶

Comparative Analysis:

Similarities in the Patent Systems followed in India, US and UK

The patent systems of India, US and UK seem substantially similar as they all reward inventors with certain rights for a fixed period of time in exchange for their disclosure regarding the method of producing the invention. Furthermore, their approach to patentability, consequences and its primary role in encouraging innovation are substantially similar despite a few regional differences. However, this does not depict the true picture regarding international patentability in its entirety. Although eminent scholars have argued that the European patent system is largely similar to its counterpart in the United States,⁶²⁷ we are of the opinion that there exist substantial differences between the two as discussed in the course of this article.

⁶²⁴*Biogen v. Medeva Plc.*, (1997) R.P.C 1.

⁶²⁵*Merck & Co Inc v. Pharmaforte Singapore Pte Ltd*, [2000] 3 SLR 717.

⁶²⁶*ibid*

⁶²⁷Peter Drahos, *The Global Governance of Knowledge: Patent Offices and Their Clients* (2010).

Distinction between the Patent Systems followed in India, US and UK

A comparative analysis of the English patent law with that of the signatories to the European Patent Convention reveals that the substantive patent law of these countries remains the same whereas, the procedural law and legal traditions regarding patents are often very different. The outcome of the latter is inconsistent results as seen in the famous *Remington v. Improver*⁶²⁸ case where the English and German courts differed as to infringement. The test of evidence considered by the English courts in deciding whether the patent is to be invalidated is the balance of probabilities test. However, in the US there is a requirement for clear and compelling evidence in order to invalidate a granted patent. The disclosure requirement of the English courts is somewhat in between the all-embracing US strict entitlement to discovery and the European approach which does not require any disclosure unless specifically requested. Therefore, the disclosure rule mandated by the UK is that one must disclose the documents on which one intends to rely upon as well as those documents which adversely affects his case or the case of another party or that which supports another party's case.

Another key aspect of the UK patent law which distinguishes it from other legal patent systems is the "English costs rule" by which the party that loses in litigation is required to pay the costs incurred by the winner. However, this is subject to the judge's discretion. Upon comparing the patent law in US and UK, the latter is cheaper, usually less time consuming and more reliable due to the absence of the involvement of a jury in the decision making process. Furthermore, akin to India, the patent system in the UK is a first-to-file system unlike that of the US which is a first-to-invent system. In the UK, there is no grace period between filing and the disclosure made. The definition of grace period followed by first-to-file countries states that it is a specific period of time prior to the filing of a patent application by the inventor or his or her successor in title, during which time disclosures of an invention do not forfeit a right to the patent invention.⁶²⁹ The grace period provision made by first-to-file countries serves as an exception to the basis of the principle followed that novelty and priority is determined as per the date of application. Therefore, if the

⁶²⁸[1990] FSR 181.

⁶²⁹Joseph Straus, *Grace Period and the European and International Patent Law: Analysis of Key Legal and Socio-Economic Aspects*, 20 IIC STUDIES 3 (2001).

subject matter of an invention is disclosed to the public just prior to filing, it will still be considered as invalid due to the absence of novelty. The novelty provision under the UK patent law provides a well-defined and simple definition of prior art unlike its US counterpart which differentiates the definition of prior art by actors providing different definitions for inventors and others.

A significant point of distinction between the patent systems of the UK, US and India are regarding business method patents. Business method patents are not and have never been patentable in UK or any other country in Europe for that matter. Business method patents are permitted in the US provided that it is significantly more than mere implementation of a well-known business process. In India, business methods are not patentable per se but may be rendered patentable if the new method purports to solve a technical problem and is systematic in nature. The novelty and priority provisions under the UK and Indian first-to-file system is significantly different from the novelty and priority provisions as per the US first-to-invent system as the latter determines novelty and priority with due regard to the date of first invention as opposed to the date on which the first application is made, which leads to a complex definition of prior art as per the US patent law. Another noteworthy distinction in the UK patent system is the absence of a penal element in awarding damages and the damages so awarded are done by a judge without the aid of a jury.

Conclusion and Suggestions

The problem of territorial limitation of patents can be solved by means of a global patent for inventions, however, due to the absence of such a patent, a comparative study of the legal patent systems prevalent in various countries is imperative to every inventor. This article therefore aims to shed light upon the patent systems prevalent in India, UK and US and identified significant similarities and differences between the same.

The disparity in procedural and to some extent the substantial patent regulations and laws in different countries also effect the inventor's rights, however the flip side if analysed reveals that few corporate giants have taken undue advantage of such and thus, patented in few countries to exploit their product commercially. For instance, USA previously had the first to invent system and such patent was granted unless an opposition has made unlike, in India whereby a grace period is given after filing of complete specification but gradually U.S.A has looked into its laws and now recently such rights have been modified to inventor's first right to file.

Conclusively, the main concern remains to undermine the disparity and propound somewhat a uniform patent system to overcome the flaws, undue advantages and the lacunae with respect to certain areas of law.