

# **INTELLECTUAL PROPERTY PORTFOLIO MANAGEMENT**

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Welcome friends. So, we are discussing about how to manage our portfolio in the international arena. We discussed that there are multiple markets available to you. You need to decide how you are going to decide where are you going to file your patents.

And this is the answer of our second question that where to file. Now, we all know that patents have a particular life. the exclusive right available to you is only for a particular period after that period is over then you will cease to have those exclusive rights but within that period also you should know that the rights will not be available to you automatically for entire 20 years of period for that also you need to do something then only your rights will remain live otherwise you will cease to have those exclusive right even within 20 years period. Now, this is a very important strategic call and this is also the answer of our first question that what to keep.

What you want to keep today may not you want to keep tomorrow. What you want to keep tomorrow may not want to keep after 5 years. So, it is important that in your portfolio you should be very dynamic with respect to what you want to keep, what you do not want to keep. And therefore, in this particular session, we are going to discuss about the renewables of our patents.

And since we are from India, so we will be talking this whole discussion at two levels. One that renewables in the Indian market and then in some of the important foreign markets. So, what is the process of renewing your patents, the fee etc. in the Indian market and then what is the process and some of the important nitty gritty for renewing your patents in some of the popular international markets.

So, that is the two level of discussions we are going to do in this particular session. Now, one very important thing which we should understand before we start about this

discussion. Technology forecasting is a very important element to decide about the patent renewable activities. Without technology forecasting, you will make a lot of mistakes.

You will incur extra cost of keeping unnecessary patents. So, for example, if you see in India, We have a very good authority known as TIFAC which do technology forecasting need assessment for our country. Similarly, there may be lot of consulting organizations, there may be lot of other futurologists who can give you the idea that what type of technologies will be needed in future. And if I am aligning my technologies with those future requirements, it is a case of keeping the patent.

If I see that this is not the future and therefore, you can think of not to keep that patent for future and then you can abandon that particular patent from your portfolio. So, this renewable process is very much related to the knowledge of technology forecasting. Without technology forecasting, you cannot do proper renewable of your IP portfolio. When you are able to decide that okay these technologies I want to keep, these I want to abandon. So, this will obviously give you lot of efficiency because your money, your resources will only be used

for keeping those IP which are going to give you advantage in the future. It will give you a consistency of your business operations. What will be your future direction of your business? So, it will be in alignment with that and it will help you in cost effectiveness, improved quality control about your entire IP portfolio. So, most of the organizations

when they go to a particular number of, but this whole activity is only possible when you have a critical mass of IP in your portfolio. If you have 5 IPs, 10 IPs, then probably this is not so expensive activity for you. But when you start having 1000 IP in your portfolio, then this question becomes very important what to keep, for how long to keep. And let me give you the example of various Indian education institutions, where now they are touching 1000 plus marks and when they are keeping 1000 plus patents in their portfolio and their educational institute, sometimes they are able to transfer the technologies also, but many a time

it becomes a source of additional cost for them. And therefore, they have to be very very careful in deciding a suitable policy which can motivate the researchers also and at the same time keep the cost on a very advantageous position. So, that is how the Point is mentioned that we should have a single entity or authority in my organization like in most of the educational institutions there is a IP office or technology transfer office. So, that IPTT office these offices generally take care of the entire IP portfolio management

and they also look after its future scope that what will be the future scope of these technologies should we keep them or should we not keep them.

Now, when I speak specifically about patent renewable process in India. We all know that patents are applicable for 20 years. We also know that when you file your patent this is your filing date and then grant will take place after some time. For example, from filing to grant it is taking let us say 3 years. valid for 20 years the exclusive right which are available to you these are for 20 years.

But those rights are available to you from the date of filing this is the overall period. So, out of 20 years 3 years are lost during the period of getting the grant of the patent. However, we have already told you discuss this point that all the benefits related to your patent you can enjoy from the date of filing only. From the date of filing only you can enjoy all the benefits which are available to you. So, up to third year when your patent is not granted there is no question of renewing your patent.

But as soon as your patent is granted in third year For example, it will come a question of renewing your patent. So, here you have to start renewing process and from the second year onwards you have to pay your renewable fee as per the rates applicable for annual payment and which are applicable to your particular case because there are different types of cases if you are education institute if you are a startup if you are a large company if you are an individual so we are going to discuss the complete rate list also. Payment of renewable will be started only after the grant of your patent has happened and that you have to pay every year till 20th year.

As you cross slabs. Let us say first slab of let us say 4 to 6 year, then 6 to 10 year, then 11 to 15 year and then 16 to 20 years. So, as you keep crossing these slabs the rate will start increasing and therefore, if you are reaching let us say to 19th year of your patent the rate will be much much higher. We can discuss that. These rates are like in case of India because now most of the filing are electronic filing.

So, during this 16th to 20th period rates are at the rate of 40,000 rupees per year. So, even for a large company, this is a big amount and if you are having a portfolio of let us say 100 patents and all those patents are running in their 16th to 20th year, for every patent you have to pay 40,000 rupees per year. You can understand this is going to be a really huge cost. So, you need to be very careful that should I keep this patent I have taken the advantage of this patent research and development and now the technology has already

moved ahead or there is no market available for this technology. So, there is no need to keep this patent protected.

So, that is why it is important because of this cost only because of this cost this question is coming to decide about which patent to keep. Imagine there is no cost of keeping your patent only once you have applied the fee which is applicable at that time that fee is only applicable during the entire life of the patent. Everybody will keep the patent for 20 years. Then this whole lecture of today has no meaning. The meaning of this lecture is only because there is a cost associated with keeping the patent or you can say there is a cost associated for maintaining the patent.

you can put that way. So, if you want to maintain your rights for 20 years you have to pay annual charges to the patent office for maintaining your patent. Otherwise you will not enjoy the exclusive right for your patent if you have not paid the annual maintenance charges. So, like we in India renewal fees for patents must be paid before the relevant years expiration. For example, this is as per the Indian Patent Act, the fifth year fee is due by the end of the fourth year of patent issue.

Renewable fees start from the second year onwards and continue on the annual basis. Patentees can also pay advance fees for multiple years under the Indian Patent Act. So, if I want that I may not be able to remember that when the patent renewal fee is due I can have a option of paying in advance also. But generally organizations do not do that because they do not know what type of technological changes may happen and whether the protection for that time is actually needed or not needed.

So, generally organizations do not take the advantage of this advance payment of patent fee. Now, sometime it happens that your payment is due in the month of let us say February of a particular year. You because of your other commitments if you do not have a dedicated centralized system. Now here comes the benefit of centralized system. Like in the first slide we said that there is a single entity authority looking after entire renewable process.

That is the meaning of centralization in this particular case. But for example, if we do not have a centralized system in the organization, we do not have something like IPR cell or technology development cell or a separate R&D section in the organization. So, it is possible that you may miss the renewable dates. Here comes the role of your patent attorneys also. Because they will keep reminding you that your renewable is due in this particular month, you have to pay the fee, you have to pay the fee and so on.

But consider a startup where startup is busy in its own activities. Consider an individual who is doing everything on his or her own. So, in these cases, it is very much likely that you may miss your due date for payment for renewable process. So, Indian Patent Act gives you opportunity of 6 month extension. However, this 6 month extension does not come for free.

There is a penalty clause associated with this and you have to pay that penalty charges and if you are ready to pay the penalty charges and those penalty charges within this six months, then again you can have your patents live. Again your patent becomes active otherwise you will not have the active patent and it will be abandoned and it will become a property of the public domain. Anybody can use your patent without your permissions. So, in this case the patent penalty which is applicable in case of India for different type of entities if you are a individual. 480 rupees per month, small entities 1200 rupees per month and now the startups are also included in the natural persons.

So, that is there and the large corporations are in the 2400. So, penalty is there but I think you all will agree that the penalty is just peanuts. So, you should In fact, even why should you waste money in buying the peanuts even? So point is that one should not think of paying the late fee.

It means if you are paying late fee, your portfolio management is not efficient. On one side, we are talking of efficiency and cost effectiveness in portfolio management and on the other side, if I am paying late fee, it means two things are not matching with each other. So, therefore, I say that we should avoid, we should avoid for effective IP portfolio management. But even then there is a possibilities that you may end up paying the late fee or penalty charges also.

And similarly there is a slight hike for the physical filing but as I already told you government is continuously discouraging the physical filing or any kind of paperwork. So, in our Indian patent office its majority of patents which are coming under the electronic version. So, only this first column or first table is more applicable at this moment. Now, if the patent is granted later than 2 years from the date of filing of the application

the pending fee payment has to be made within a period of 3 months from the date of patent grant as mentioned in the patent registration. So, if let us say a patent is granted in the fourth year let us say fourth year in the month of January. So, as soon as the patent is granted and from the second year onwards you have to pay your patent annual fees. So,

generally let me tell you what happens practically because for every other year you have to pay only one years charge annually.

But when the patent grant is delayed it happens in fourth fifth year then there becomes a accumulation cost because the renewal charges are applicable from second year onwards. So, you may sometime have to pay for 2 years, 3 years. And then there comes a question that during this time we were not sure whether the patent was granted to us or not and that becomes a slightly higher amount. So, during this time you are in a state of confusion and therefore, sometime it happens that you are not able to pay within the limited on the due date and therefore, you have to pay within 3 months from the date of grant and this is during this period during this 3 months period because it is granted on January

And so, therefore, by April you have to pay your renewal charges and during these three months there is no penalty. So, otherwise from the date of due of your payment if you are not paying you can take the benefit of paying the penalty up to six months and we just discussed that what are the monthly penalty charges. But, for the first time when your patent is granted you have a option of paying up to three months and during these three months there is no clause of penalty. Now, it is a simple procedural thing and now our patent renewal can happen online and you We just discussed that what are the fees applicable and as you see that there is a significant increase in the physical fees of renewable.

So, this also discourages people to go for physical filing. Most of us go for electronic filing. It is convenient also and at the same time it is economical also. So, both these benefits are applicable to you when you go for electronic filing. Now, at the international level, this is what we discuss at the national level.

Now, at the international level, as during our PCT discussions, we discuss that there are two phases. One is international phase and then the national phase. Now, during the international phase, your work is happening at WIPO, where they are publishing your application, they are examining your application and then there are certain optional activities also. But they are not giving you patent. For getting a patent, you need to go to a respective country's patent office, which we call as national phase.

So, there is no concept of renewable of your patent in international phase. The concept of renewing the patent is only in national phase and that national phase may take place either in USA or in European Union or in Japan, China wherever you are filing your patent there you will have your national phase. Now, some of the most popular

destinations for Indian researchers, Indian organizations one is USA. It is the most common place and in USA the rates which are applicable for renewing your patent these are in US dollars.

So, in US dollar these rates are again very much dynamic. So, when we last accessed through this link which is mentioned here in the bottom of the These are 400, 800, 1600, all these are different types of renewable rates and depending upon in which category you are coming. So, whether you are a individual, you are a micro organization or you are a large corporates accordingly these rates are applicable to you and you have seen that everywhere rates are very low for

individuals, then as your size of the organization is increasing, the rates increase. Here we have only three slabs. If you see in India, we had four slabs, but here we have only three slabs. In India, there is a slab for 16 to 20 years also, but here the final slab is 12 plus years. So, you can take a call.

at 12th or 13th year only because here the rates have just become doubled from 1800 dollars to 3700 dollars from 3600 dollars to 7400 dollars. So, the rates have increased significantly and therefore, you need to take a call in US also and if you are going for foreign filing from country like India and if you see that generally you will easily understand that based on the response of the market in initial years, you think of going for the next block. So, for example, if for 4 to 7 years, you are not getting a good market response, you should be reluctant or you should consider negatively that I should not keep this patent in US market. But obviously, if there is a expected market response during four to seven years.

You should go for keeping the patent alive in next years also. So, this is simple thing and here also you have a system of late penalty. You are charged penalty on monthly basis depending upon the type of organization. For micro it is 40 dollars per month, for small it is 80 and for large it is 160 dollars per month. So, that is how the fee is applicable in US market.

The US patent is only allowing you to have three times we just discussed and how fees can be paid and it is also same like India that you have to pay fees six months before the deadline. payment of penalty is started immediately after the payment due date has passed. So, immediately the penalty will start. Then another important country for all of us is China and China has multiple slots. You can see that China offers six different slots and these are again per year that China

900, 1200, 2000, 4000, 6000, 8000 depending upon in which block you are you have to pay this kind of renewable fees. So, out of 3 you can easily understand that if I consider India, USA and China maintaining a patent in US market is most expensive and therefore in India particularly I can say it is a fashion to go for US market for patenting your products. But if it is not giving you because when you go to the international market particularly if I try to address to our startups you need to understand a lot about local phenomena. So, the technology which you are developing in India

may not be necessarily can be implemented similarly in other international markets also. So, it requires a lot of careful thinking before you invest, before you give your hard earned money for keeping your IP in a different countries. So, a Chinese patent must be renewed annually throughout their granted lifetime same for all other countries and In this case, one important thing is applicable No matter when the patent is granted, renewable fees begin from the date of filing.

So, like in India's case, renewable fee applies from second year onwards. But in this case of China, whether it is granted, not granted, your renewable fees will be applicable. The renewable date each year is the anniversary of the filing date of the patent. So, it is almost same which is applicable in India also. Misrenewables do not immediately lead to a lapsed patent.

there is a 6 month time frame before the patent lapses. So, it is again same what is applicable in our case also. In this 6 month period the renewable fees can be paid as long as it is accompanied by penalty fee and the penalty fee here is 25 percent of the associated renewal fee. So, here penalty fee keeps changing as per your slots like if you are missing between 16 to 20 years penalty fee will be much higher because it is 25 percent of 8000 in that case.

So, you can say that 2000 yuan per month kind of the penalty fee you have to pay. So, here the penalty fees is really a significant deterrent for forgetting your renewable dates. Now, if we see this comparative analysis of cost before and after centralization of patent renewals and translation. Now, pre-centralization, before centralization, renewal fees might have varied across different jurisdictions. Now, since we are having one single you can say office and that single office is taking care of all the renewable activities.

So, there is only one type of cost applicable whether I am in north, south wherever. Translation expenses, patent translation could be costly especially if multiple languages were involved. Generally, patents when we are filing in different patent offices. Some of

the patent offices allow you to file application in English and there are some patent offices where they have requirement of their own language. Like in case of India, if I speak Hindi, but I cannot submit my patent application in Hindi, I need to get it translated in English.

So, therefore, when you are translating your patent in multiple languages you also incur this cost. So, this is a question related to where all those quantities where you want to go and whether the translation expenses are within your you can say budget or going beyond the budget and then administrative overhead also these are there in case of pre centralization. Now, after the centralization it has become a very streamlined process.

Centralization offers leads to streamlined process and efficiencies are possible. Centralizing renewables and translation may enable your organization for some kind of bulk discounts with translation agencies or those who are helping you in patent renewable service provider. The meaning of this point is that there is a government fee or IPO fees. I am using two types of IPO.

One is Indian patent office and second time I say intellectual property office. So, when I am saying that IPO is this intellectual property office. Now, any intellectual property office will charge its government fee plus you may take the help of a service provider. And these charges of translation etcetera or the bulk discount is only possible on the service provider charges. Because service provider says that okay, if I am getting a sizeable number of IP requirements from a particular organization, I can reduce my charges and it is phenomena of economies of scale.

And then since somebody is managing your entire activity, this centralization will help you in getting the better visibility and it will help you in reducing the risk of missing the renewable deadlines. And obviously, because of centralization as I just mentioned economies of scale will also possible and it will help you in getting efficiency and cost minimization. So, all these are the benefits of post centralization and we just discussed that it is going to have you the cost effectiveness the centralization will help you in following. or adhering to a standard operating process of renewal that okay whenever there is a question of renewing a patent what type of checklist we should have and what should be the items of those checklist so we can prepare a checklist and the checklist may have some let us say 10 items that okay market Have you done the market assessment before you go for deciding the renewable?

Have you done for competitor analysis? Have you done scope of future technologies? So, if there is a proper you can say standard operating process, then it will be a very streamlined effort for renewing your patents. Otherwise, we may take lot of decisions on the basis of our intuitions on the basis of my own hunch that okay this will work this will not work should I go for this should I not go for this.

So, in a more objective way we should have a proper checklist and then it will be a transparent process for renewing your patent applications. So, finally, we discussed that the process of putting the renewable application is a very strategic issue whether you are doing in India or overseas if you are doing it through centralization process where you are hiring the agency which is helping you in centralization activities it is going to be economical also. But you should be very very careful that what are the criteria on the basis of which you are going to decide okay we will go for renewing the patent. it is quite possible that you may renew a patent in India but may not renew the same patent in America because you see that in American market for example in robotics generally people show that Japan is the leading country and America follows whatever inventions are happening in Japan those are being followed in America.

In Japan, I may think, okay, after 10 years, this technology is now obsolete, new technology is coming. So, I may not like to keep my patent of a robot in Japan after 10 years, but I may still be holding the same patent in America because there may be 5 more years, the same technology will work in the field of robot in America. So, that is how the important point is that you should not think that it should be universally available or it is universally not available. It is a very very specific issue that which patent is available in which market at what time. So, that is what we discussed in this particular session.

With this we come to end of this video. Thank you very much.