

# **INTELLECTUAL PROPERTY PORTFOLIO MANAGEMENT**

**Professor Name : Prof. Rajat Agrawal**

**Department Name : Department of Interdisciplinary**

**Institute Name : IIT Roorkee**

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Welcome friends. we are discussing about management of our intellectual property portfolio. So far, we have discussed different types of intellectual properties, their importance and their role in the business management. Now, finally, we have understood that there are two very important issues in portfolio management. One, what you are going to keep in your portfolio?

What type of patents you are going to keep? what type of designs you are going to keep, how many trademarks you are going to keep, how many indicators you are going to keep, all these are the different types of assets which we will be keeping in our portfolio. But second important issue is also there, where are you maintaining these portfolios? Because in our earlier sessions we have discussed that IP is basically a territorial right. So, you need to decide

all those places where you are going to maintain your portfolio. So, these are two very important questions which we are going to discuss now onwards. One is what is there in your portfolio? So, that is one important question what to keep? And the second question is where to keep?

And this question of where to keep is unique to IP. What to keep in your other assets management in your financial portfolio also for example, stock market portfolio that question is answered there also. But where to keep this is unique to IP because we know that different countries have their own rights and therefore, we have to see whether we want to keep our IP in India, USA, Japan, China, European Union, African Union etcetera etcetera because there is no worldwide patenting system. So, in this particular session we will limit our discussion only about one important type of IP asset that is patent.

So, we already know this in the previous sessions also that there is no system of global patent. If there would have been a system of global patent the question of where to keep will not come into existence. But this question is coming into our discussion only because there is no global patent there is no worldwide patent system and it is a territorial right we means we have already discussed what is the meaning of that territorial right that exploiting the patent in invention in the relevant country for the limited period in which the patent is valid that is the meaning of territorial right. So, we need to see because somebody can answer this question very simple that ok sir you should keep patent in all possible countries all possible countries wherever there is a patent office in the world you should patent your product there also yes this is possible.

if there is no cost of patenting and maintaining your patents in all these countries. But there is a cost there is time efforts which is required for doing patent in different countries. So, therefore, we need to take a very serious discussion we need to understand from multiple aspects there are multiple criteria which we are going to discuss on the basis of which it becomes very important to decide where to keep your patent. So, globally also in our one of the session we discussed that how system of WIPO got evolved and one of the very important role of WIPO in the present environment.

WIPO does many different types of roles. It provides education, awareness about intellectual property at the global level. It tries to create the system of IP for avoiding or for minimizing the exploitation of underdeveloped societies also. But at the same time, the most used activity of WIPO is the convention of PCT. So, PCT is I think that system for which WIPO is commonly being coming into every national or international intellectual property discussion.

So, this PCT system patent cooperation treaty is one such example which can facilitate us to decide where to keep your intellectual property or right now I am talking only of patent. So, where to keep your patent this can be facilitated not answered can be facilitated with the purpose of PCT. So, because people have realized that I will be fearful in showing my invention to other countries. You can remember that how the concept of IP was developed inventors creators were fearful going to Austria and they thought that we will not have any protection in that country.

So, there has to be some system of protecting my invention in India and in US or in other countries. Therefore, there has to be a process system of filing the patents protecting your IP in foreign countries also. And that is becoming more important because of this LPG

environment because for example, before 1991. in India it was very restricted for international businesses to operate from India. Our markets were not open, but now because of liberalization, privatization, globalization our markets have become very porous and multinational companies are coming and that is the reason multinational companies are protecting all their inventions

In Indian markets also, similar possibility is for Indian inventors also, Indian businesses also. That Indian businesses can also become global businesses one day or they may find markets in other countries, maybe in underdeveloped countries, maybe in developed countries also and that is the reason there has to be a system of foreign protection of your intellectual property. and that foreign protection of intellectual property is where to keep the question. So, now going further into this discussion where to keep your IP. So, in India if I am an Indian how can I go for patenting my products patenting my invention in other countries outside India.

So, Indian Patent Act in its section 39. gives this provision that any Indian seeking for international patent first need to file the application in Indian patent office. So, first you file application in Indian patent office, get the application number and then only the process will start. However, however it is not mandatory in all the cases. There are cases

Where without filing the patent in Indian patent office, we will talk about that also in the class that you can also go to the foreign country file. But at present, majority of filing of international patents from Indian patent office or from Indian inventors is happening through this route only that first we file in Indian patent office. So, let me say first go for Indian office first step in your outside India is going for Indian office then you can think of international filing. Now, when I am thinking of international filing we need to see how do we decide which country to file why to decide which country to file.

Now, for international filing, if I am going to decide for different countries to decide, first important thing is market. Whether there can be a possible market of my product in that country or not. If there is no market, there is no point of filing the patent in that country. So, there is first important thing is availability of the market because i want to do business in that country so therefore i want protection for my invention in that country and therefore market attractiveness is the very important thing if market is not there but other possibility is there that there may be some possible competitor in that market if competitor is there what he can do

competitor may make your product in that market and may supply to some other markets. So, therefore, wherever there is a possibility of possible competitors available who can copy, who can imitate your product, your inventions, you need to ensure that you have properly protected your invention in that market. So, competitor is also important thing. Third important thing is collaborator. Whether possible collaborators are there in that market or not.

Particularly, there are large number of patents these days coming from our educational institutions. And generally, most of the educational institutions, they are filing for Indian patents. Now, educational institutions can go for actually exploiting the benefit of IP, but they look for possible collaborators in those countries and if collaborators are available obviously, they can go for foreign filing. So, availability of the collaborators and these collaborators can be HEIs, these collaborators can be industry and these collaborators can be individuals also. So, all of them can be the collaborators.

So, if collaborators are available and I am very sure that most of the foreign filing in India from research institutions, R and D institutions, educational institutions are happening only because of foreign collaborators. So, availability of the collaborator becomes again very important thing. Then another important thing is grant. There are different types of grants also available these days, global grants. Now, for availing those global grants to take your inventions to the next stage, there may be a requirement of international filing.

So, for example, if some grant is coming from Ford Foundation or America India Foundation and they are expecting that you should have US patents, obviously the researcher in India will go for filing in the United States for their inventions. So, availability of the grant if you are interested in grant that is also one important factor for your international foreign filing. Then another important factor is possible which is coming because of let us say you have some competition, but you are having indirect way of fighting that competition.

So, you want to block your competitors to come into that market and therefore, you may go to different areas for protecting your products because once you give the application in those countries even if your IP is not granted in that country, but you will also prevent other competitors indirectly to go for patenting of or creation of IP of their inventions. So, people sometimes use it as a strategic tool indirectly for going for the international

filing. Another very simple reason which I could have spoke in the beginning also goodwill. Many organizations

many individuals many r d organizations go for global filing international filing to create more goodwill because when you have international patents with you in your portfolio that you have three us patents two european union patents it gives more value to your brand So, people consider it as a matter of goodwill also that your IP portfolio gets enriched when you have international patents with you and for enriching your IP portfolio you may go for international filing. So, that is also a reason. I can say in this way that right now US patents have maximum value of their IP and therefore, most of the Indian organizations they look to get US patents because this increases the goodwill to a very high level. So, that is also a reason for going for the international patenting.

So, there are All these possible reasons because of which after filing your Indian application you will go for filing for the international patent. But at this point I will also like to caution you that in case you have no international business going for international filing foreign filing. is extra cost to you. So, because everybody is going for foreign filing you should also go for foreign filing is not advisable.

So, it is very important to see whether you are going to get any of these business interest then only foreign filing is advisable. For the sake of foreign filing, we are doing foreign filing is not advisable because now we are saying purely from ROI point of view, return on investment. So, when we are going for foreign filing, I already told you it is a huge cost. So, whether we are going to get proportionate returns on that cost, then it is advisable just for the sake of having it not advisable. Now, what this section 39 says?

that once you have filed application in India then inventor can request for an international patent application within 12 months of date of filing the first patent application in Indian patent office. So, first 12 months are critical and you need to make your mind Within these 12 months, whether you are going for international filing or not. So, this is also a very important factor. You also need to keep a watch on the timelines also for the international filing.

Now, when we are going for international filing. So, you will get a written permission for foreign filing. And we generally in our IP language call it as FFL. foreign filing license. So, this foreign filing license is the consent given to you from our Indian patent office and when you are getting FFL the Indian patent office requires the mandatory filing of

the patent application in India as I already told you and it gives permission to Indian residents to file patent application outside India for an invention

directly for companies operating from India cater to the foreign markets. So, this is FFL and FFL is required and that will be the part of the application when you are going for foreign filing. Now, when we are getting our FFL what are the prerequisite for getting this FFL or foreign patent license. So, national security In this case, Indian Patent Office requires patent inventors to obtain a foreign fine license or a clearance before filing a patent application abroad.

So, for this reason because there may be inventions which are related to various strategic aspects and if you are going to get patent in other country there may be some threat to national security. So, therefore, FFL is needed which patent office ensures that there is no issue related to national security. And another important thing the invention of the patent application may be considered as non patentable in India. In some cases because country to country patent laws are changing something which may be patentable in India may not be patentable in other country and something which is non patentable in India may be patentable in other country.

So, this FFL will clearly mention that whether it is patentable or not patentable in India. sometime it is also possible when you have this FFL you want to go for FFL that potential is very low in India and you have done the invention in India, but you do not see that there is a proper market of this invention in India and therefore, you are directly going for this foreign filing license. Similar to this point, is this point also where the chances of getting that application approved grant in India is very low. So, either potential is low market is low in that case there is no need to protect that invention in Indian market or you see that for example, the expertise available in a particular

field of science may not be that great in Indian patent office. So, therefore, you see that chances of approval of this particular application grant of this application is low and therefore, you may directly want to go for FFL. The inventor or application might desire to cater foreign market directly I am when I the potential is low in India, I am directly looking for product for let us say some other foreign country and therefore, I want to go for that particular. So, this point A and this point B you can see in combination because potential in Indian market is low.

Therefore, I want to directly go to a foreign market and therefore, I look forward for FFL. The inventor or applicant may be in coordination with different teams located globally.

So, as I just said few minutes back, collaborators. I may have collaborators available in different parts of the world.

I will not take the name of a company, but it is a US company, parent office is in US and that company suggested rather gave some grant to a team of researcher in my campus at IIT Roorkee. and we developed some solutions for them. Now, the condition of this project was that whatever IP will be generated it will be protected only in US patent office. And therefore, we had to obtain FFL because our collaborator was in USA not only collaborator They were the sponsors also for that particular research.

So we had to means follow the instructions given by our collaborators and we got the FFL. for protecting that invention in US patent office. So, these types of conditions are also there because of the collaborators pressure and not only pressure I will say because the terms and conditions for which you have started agreed in a particular project in that particular research and development activity you may go for direct filing of foreign licenses. So, these are some of the conditions because you need to explicitly the whole purpose is As an Indian citizen and as an Indian regulator, my choice is always that all the citizens doing research in my country, they should necessarily file patent in my country.

So, here you can see two different perspectives. One perspective of our regulator, the patent office, controlled general's office, patent office. And the second perspective is of the inventor's perspective. So, since we are talking of portfolio management, so we are talking more from the inventors perspective, but you can think of portfolio of IP from countries point of view also that what is the portfolio of India with respect to IP. If you go to WIPO website,

you will see that IPs available with different country they give comparisons and they give comparisons not only of patent data but all types of IP. So, based on the entire portfolio you are maintaining you get rankings in global innovation index. So, if my citizens doing research in my country but not protecting their inventions in my country protecting in other foreign countries it will be a loss to me because of my rankings will go down my portfolio will not be richer and therefore we want to ensure that most of these citizens should first protect their inventions in my domestic offices and then they go for the international filing.

But as I just mentioned in this particular slide that there are conditions available in which you can justify that why do you want foreign license and that is the reason some of the

companies can go directly for foreign license also. Then you can see so one was Rule 39 where we discussed that how we need to first file the patent in India and then we discussed this FFL system that these are the different conditions under which you can have provision of getting direct FFL and with that you can go for international filing. And in this case as per the rule seventy one of section thirty nine of our patent act the request for permission to submit a patent application outside India shall be made on form number twenty five which is available on the patent website you can see the controller must respond

to the request made under sub rule 1 within 21 days of the request being filed. So, the controller in the controller office has 21 days time to respond to that request provided that now there is an exception in this case the invention related to defence or atomic energy the period of 21 days will not start from the date of request being made. This 21 days in these cases will start from the date of receipt of consent from the central government. So, first the consent from central government will come in case of national security, in case of atomic energy kind of inventions and if consent comes from those government authorities then the permission will be given by controller office and the period of 21 days will start from the date of this consent being received.

So, it can be and there is in fact no timeline available for the consent coming from the central government office. So, it may take enough time also. So, generally we discourage the protection of IP in the field of defence and atomic energy in foreign nations because these things are related to national security. So, these things are generally discouraged unless until there is a very high level MOU between two countries and at the national government labels two countries are working together on that type of research.

So, it is generally avoided that anything which is related to national security and for all types of commercial IPs the period of 21 days is there for getting the you can say answer from the controller office on your FFL request. Now, form 25 which I mentioned that is required for making the application for FFL request. Now, in this form 25, the important things which you have to mention, the title of invention, name, address, nationality of inventors and in fact, who are resident in India, it is required particularly from them. name and address of the applicant, if rights have been assigned to some other applicant, names of the foreign countries where the application will be submitted and when you get the FFL and reasons for making such an application.

This is the most important thing. So, other out of all the things which are more customary kind of things reason for making such an application why you want FFL this is the most important thing. And as I already mentioned in my previous slide that all these are the possible reasons for which FFL may be needed. And there is a form 26. which is also in this line that is the power of attorney from the inventors or applicants residing in India and appointing a patent agent to represent them.

Which is because sometime there may come lot of queries on these application forms. So, you can appoint a power of attorney form 26 is available for that purpose and you can using that power of attorney, this authorized representative can represent to the patent office on behalf of you. So, that is the provision which is available here. And now, as we already mentioned that what are the different reasons for which you are going to make your applications in the other countries.

So, we were talking of what and where. So, to answer that where as we already mentioned that there has to be a significant market potential how big is the market in other case international collaboration what type of litigation strategy. Now, if I talk in terms of India we have large number of treaties with different types of countries bilateral treaty particularly I am talking. And with those bilateral treaties litigation strategy in different countries may change. So, obviously you will like to get protected first in those countries where you have some kind of treaty.

So, that you can get litigation support also in those countries otherwise it becomes very expensive. And maybe very much you can say stressful also to get litigation support in those countries where you do not have any kind of diplomatic relations. Global expansion under that also because I want to go to different markets even if market is not there. But under my expansion strategy I can go for filing of IP in different countries. It can provide me lot of competitive advantage I mentioned about goodwill etc.

You get higher goodwill if you have international patents. It obviously gives you legal protection in different countries and revenue generation. Revenue generation will only happen when you have a proper market potential. Otherwise, it will be a cost. As I said, just for the sake of foreign filing, you should go for foreign filing is not a good idea.

if it is giving you enough revenue, then only you should go for. So, therefore, we cannot expect from startups, from MSMEs to go for foreign filing. We can only expect from large corporations in India to go for foreign filing. Those who have provision of global

expansion, if your business is limited to a state only, if your business is limited only within the country, there is no point of foreign filing.

So, you need to consider these reasons very very carefully do proper SWOT analysis with respect to all these aspects wherever for example, if I want to go for USA because that is the most fancy item whenever we talk of foreign filing do a proper SWOT analysis and once you do a proper SWOT analysis then only you will be able to decide should I go in US market or not and same thing you can do for various other possible potential location where you should think of providing your patent. So, with this we are coming to end of this discussion where we have discussed that how we are going to decide the different countries for filing our patents and global protection and with that we have answered Both the questions means what we have already answered in our previous session where we answered today that in which country we need to do the protection. In our next session, we will be discussing how to go for this international filing.

So, with this we come to end of this session. Thank you very much.