

THURSDAY, JULY 10, 2008 WWW.LIVEMINT.COM

## INTELLECTUAL PROPERTY

# Patent offices suffer as private companies lure experienced staff

**The department of patents and designs has lost 35 people in the past four years. It now has 70 vacancies**

BY C.H. UNNIKRISHNAN & KHUSHBOO NARAYAN

MUMBAI

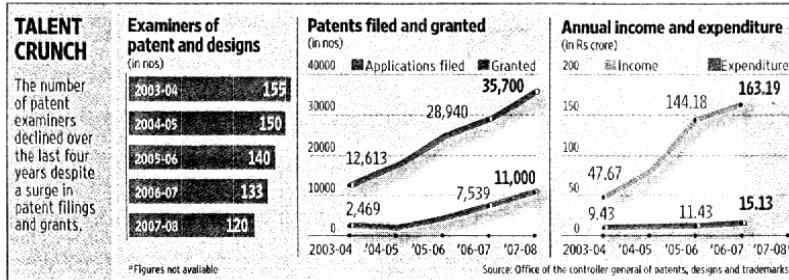
India's understaffed patent offices have lost 25-30% of their examiners over the past four years as private companies, looking to strengthen their intellectual property capabilities, lure them with better work environment and higher salaries.

The department of patents and designs has lost 35 people in the past four years. It now has 120 patent examiners and 70 vacancies.

Meanwhile, the number of applications filed in the country's four patent offices has increased 300% since 2004 and patent grants have risen 150%.

Companies such as **Tata Motors Ltd**, **Reliance Industries Ltd** and **Hindustan Unilever Ltd**, as well as information technology and pharma companies, the key patent filers in India, are all hiring these patent examiners for their skill in drafting patent applications and international patent searches.

A former examiner, who joined a software firm in Bangalore after he quit the Chennai patent office three months ago, blamed poor salaries, work pressure and bureaucratic interference for the exits. "Temporary postings of patent examiners for a period of one year is another factor, because this makes exits easy for these professionals," he added while not wanting to be named.



According to a Mumbai-based patent agent, another reason for the private sector firms to hire these examiners is to "use their connections in the patent offices" where they worked for years together.

Their familiarity with the dos-and-don'ts in the patent offices also help these companies file an "error-free" application, he added.

"Private sector companies are increasingly looking to expand their in-house intellectual property cells, and they prefer to recruit experienced people," said an assistant controller in the Mumbai patent office, which has the thinnest team of patent examiners. "Since these companies offer stupendous salaries, we just can't stop the attrition."

The Mumbai patent office lost three patent examiners in the previous two years and has only 17 examiners. The Chennai patent office has 35 examiners, after half a dozen recent exits, an official said.

A **Reliance Life Sciences Ltd** executive, in an email response, said the company's intellectual property group candidly "at the level of patent

search and drafting, possess more of scientific and technical background. They by and large understand the landscape of a particular field of research..." Reliance Life is among those Indian companies that have filed a large number of patents.

"Intellectual property right is a new area for Indian companies and there is a shortage of skilled people who understand the domain," said Anil Pareek, vice-president, medical affairs and clinical research, **Ipca Laboratories Ltd**. "It is common for firms to hire patent examiners from government offices to draft patent applications and this will continue because there is a lack of talent. Besides, the industry pays better salaries than government."

While salaries for patent examiners are in the range of Rs20,000-25,000 per month, with average annual raises of Rs800-1,000, private companies offer annual pay packages totalling Rs18-20 lakh.

Despite the huge gap in its pay, the government says it hopes to contain the attrition with some new measures.

"The finance ministry, based on our recommendation last year, has approved a scheme for confirming all patent examiners on a permanent

basis, along with a 50% increase in the annual package in May," said an official at the department of industrial policy and promotion, the umbrella organization responsible for policy decisions for patent offices in the country.

In 2007-08, India's patent offices issued about 11,000 patents, almost double the annual number granted in 2006. India, which has one of the most stringent patenting regimes in the world after Japan and Germany, has been granting an average 50 patents a day. This rate is comparable to patent grants made in advanced intellectual property regimes such as the US and the European Union, when measured as a proportion of patents granted to the number of applications made.

The Union ministry of industry and commerce agreed that there is an overload on the patents grant system in India. "The average number of examinations handled by an examiner at Indian patent offices is 100 per annum compared with 50-80 cases in the US and Europe," said a recent report by the government's department of industrial policy and promotion.

ch.unni@livemint.com

## PHARMA PATENTS

## Facilitation centres to be set up in 3 cities

BY LISON JOSEPH  
lison.j@livemint.com

HYDERABAD

The Indian government will soon open in Hyderabad the first of three so-called patent facilitation centres that will help pharmaceutical companies, especially small and mid-sized ones, file patents within the country and elsewhere.

The move will help companies protect their discoveries and also creates the possibility of generating revenue from lic-

ensing IP, or intellectual property. The government is hoping these centres will foster the cause of innovation among pharmaceutical firms here. The other two centres are planned for New Delhi and Mumbai.

The patent facilitation centres are being set up by the pharmaceutical trade body **Pharmaceuticals Export Promotion Council**, or **Pharmexcil**. The ministry of chemicals and fertilizers, which oversees the pharmaceutical sector, has allocated Rs1 crore for the initia-

tion. "The new centres will focus on outreach to increase awareness about intellectual property rights (IPRs), followed by active guidance to capitalize on the awareness created among the industry," executive director of **Pharmexcil P.V. Appaji** said.

The "Indian pharma market has more than 24,000 SMEs spread across the country. Of these, more than 1,200 are involved in pharmaceutical exports but do not have adequate knowledge about IPRs. Due to greater focus on compliance with the IPR regime, many of them are finding it difficult to sustain in the pharmaceutical exports market," said Hitesh Gajaria, executive director at audit and consulting firm **KPMG India**.

To attract increased partici-

pation from small and medium companies, **Pharmexcil** plans to offer monetary incentives to those among this category of companies that file for patents.

Commenting on the new patent facilitation centres, Gajaria said that while these make for a good beginning, India needs to do more to educate manufacturers, and open more such centres, "especially near pharma manufacturing clusters in Gujarat and Chennai."

The centres will also help Indian firms involved in patent disputes in other countries.

"Currently, there is very low awareness among Indian companies, especially small and medium enterprises, as to which products are potentially patentable and which are not," said Pankaj P. Borkar, examiner of patents and designs at the

National Institute for Intellectual Property Management, a government body.

"Ever since India joined the global intellectual property regime, patents became a very critical factor in remaining competitive in the market. The new initiative will help smaller companies to fast track the process of applying for patents," said Venkat Jasti, chief executive of Hyderabad-based medium-sized pharma firm **Suven Life Sciences Ltd**, which had revenues of Rs123 crore in 2007-08. The company has applied for 39 patents and holds 10 patents currently.

## ALSO SEE

>Views: The potency of a middle path on patent linkages >P23