

# IP Hotline

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## PATENTS IN THE TIME OF PANDEMIC

Across the world scientists and researchers are working tirelessly to develop cheap and time effective diagnostic kits, cures and vaccines for the novel COVID-19. There is also a pressing need for low cost ventilators.

Abbott's diagnostic test to deliver positive results in five minutes is a major- breakthrough. In India, Mylab Discovery is the first company to receive approval in India for manufacturing their Covid-19 test kits. Even non-pharmaceutical companies are pitching in to help in this time of crisis. One example is Mahindra & Mahindra, which is working towards launching a low-cost ventilator.

In times of emergency, when an invention is the need of the hour, should innovators file patent applications to protect their innovations? What if they don't file for patents in the larger good? Can innovation still be rewarded pending patent or without patent protection?

## PATENTING COVID-19 RELATED INVENTIONS

At the outset, it is important to examine what kind of Covid-19 related inventions may be patentable in India. Like most jurisdictions, under the Indian Patents Act, 1970 ("the Patents Act"), a product or process that satisfy novelty, non-obviousness and utility, can get patent. However, the Patents Act excludes certain inventions from the scope of patentability, e.g. use of a known or already existing drug for treatment of Covid-19 may not be patentable in India.

India also prohibits patenting of methods of treatment. This includes methods of diagnosing a disease. While methods of diagnosing Covid-19 may not be patentable, a diagnostic instrument itself can be protected as a patent. Software *per se* is not patentable in India. However, software combined with hardware may be patentable. Thus, software enabled diagnostic instruments could be patentable.

As per the well-known Section 3(d) of the Patents Act, exclusion, new forms of a known substance (such as salts, esters, isomers, etc) are not patentable unless such new form results in the enhancement of the known efficacy of that substance.

Indigenous innovators can e-file patent applications in India even during lock-down. Since patent is a territorial right, applications need to be filed either through the Patent Cooperation Treaty or directly in other jurisdictions within prescribed timelines with Indian filing date as priority date<sup>1</sup>. In case of existing patents, they should be available to meet the demand during exigencies.

## EXPLOITING AND REWARDING INNOVATION

We examine a few approaches to enable use or exploitation of pending patent applications and/or granted patents below:

- Acquisition or use of pending or granted patents by Indian Government in public interest

The Patents Act allows government of India to acquire an invention covered by a pending patent application or a granted patented for a public purpose by paying compensation to right holders. Compensation is determined based on several factors such as the expenditure incurred in connection with the invention and, in the case of a granted patent, the term of the patent, the period during which and the manner in which it has already been worked (including the profits made during such period by the patentee or by their licensee).

Separately, the Patents Act also allows the government (state, central or a government undertaking) to use an invention that forms subject matter of patent applications or are granted patents. Such use includes the right to sell the invention. Use by the government must be made upon commercial terms agreed between the patentee/applicant of the invention and the government either before or after use has begun.

- *Compulsory licensing of existing patents*

In times of national emergency/extreme urgency, the Central government can *suo moto* make a declaration for grant of compulsory license in relation to a patent. Thereafter, any person interested can apply for a compulsory license. A license will then be granted on such terms and conditions decided by the patent controller.

In fact, it has been reported that some countries have already issued compulsory licenses for existing drugs currently being tested for treatment of Covid-19. Israel has issued a compulsory license related to lopinavir/ ritonavir, including in combination with other products.

On the other hand, several companies, including the patentee for the drug lopinavir/ ritonavir, are relinquishing their rights in their patented drugs in view of the pandemic. While companies are foregoing monetary incentives, such acts will bring immense goodwill and are helpful in creating a positive brand image.

- *Exploitation of pending patents or in the absence of patents*

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An important question to consider is whether innovators can be rewarded. Pending or in the absence of patent. In this state of urgency, innovators may not file patent applications before commercialising their innovations. Even if a patent application is filed, grant of a patent would take several years in most jurisdictions. Technically, a patentee's monopoly kicks in once the patent is granted. It should be explored whether in such situations, patent grant may be expedited.

Even in the absence of a patent, innovators could and should still be rewarded. This can be done by way of licensing or royalty deals, acquisition deals or joint venture deals, where the innovator (company or individual) transfers the trade secret, know-how, formulation or technology to other entities with good manufacturing capacities or governments. Joint ventures could also be formed between two or more innovators, who pool in their resources together to find a much-needed resolution for this pandemic in public good.

In all these scenarios, the commercial interest and investment of the innovator are secured, and public good is ensured.

#### TAKE AWAY

While a patent is an important right, the need of the hour is to balance commercial interests v/s community interest. Making inventions, know-how, technology and formulations available not only in India but across the world is of utmost importance at this stage. Innovators therefore need to decide how to exploit their patents or inventions to battle this pandemic, and whether large profits should be forgone for humanity. At the same time, it is also important for the community to respect inventions and give due credit and respect to research and innovation. Compulsory licensing, royalty based deals, joint ventures and collaborations on reasonable terms, instead of strictly enforcing patent rights, is the need of the hour. When the whole world is fighting this pandemic together at war footing, innovations must act as a weapon which can help in winning this battle.

— **Aparna Gaur, Aarushi Jain & Gowree Gokhale**

You can direct your queries or comments to the authors

1 For a further analysis of the current patent landscape in India and the US and its effect on Covid-19 related inventions, please see <http://www.ipproinc.com/d/CMS/Articles/1585879915.pdf>

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**Vaibhav Parikh, Partner, Nishith Desai Associate on Tech, M&A, and Ease of Doing Business**

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