

PATENTS (AMENDMENT) ORDINANCE, 2002
ORDINANCE XCV OF 2002

And

Ordinance

to amend the Patents Ordinance, 2000

[Gazette of Pakistan Extraordinary, Part-I, dated 26-10-2002]

F. No.2(1)/2002-Pub., dated 26-10-2002.---The following Ordinance promulgated by the President is hereby published for general information:---

Whereas it is expedient to amend the Patents Ordinance. 2000(LXI of 2000), for the purposes hereinafter appearing;

And whereas the President is satisfied that circumstances exist which render it necessary to take immediate action;

Now, therefore, in pursuance of the Proclamation of Emergency of the fourteenth day of October, 1999, and the Provisional Constitution Order No. 1 of 1999, read with the Provisional Constitution (Amendment) Order No.9 of 1999, and in exercise of all powers enabling him in that behalf, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance:----

1. Short title, and commencement.----- (1) This Ordinance may be called the Patents (Amendment) Ordinance, 2002.

(2) It shall come into force at once.

2. Substitution of long title and preamble Ordinance LXI of 2000.---In the Patents Ordinance 2000 (LXI of 2000), hereinafter referred to as the said Ordinance, for the long title and preamble the following shall be substituted, namely:---

"to amend and consolidate the law relating to patents in order to give effect in Pakistan to the provisions of the International Convention on Trade Related Intellectual Property Rights, 1994, in accordance with its objectives and principles.

Whereas it is expedient to amend and consolidate the law relating to patents".

3. Amendment of section 2, Ordinance LXI of 2000.---In the said Ordinance, in section 2,--

(a) in clause (i) for sub-clause (ii) the following shall be substituted, namely:--

"(ii) the date on which it is filed at the Patent Office or its branch office;";

(b) for clause (i) the following shall be substituted, namely:---

"(i)" invention" means any new and useful product or process, in any field of technology and includes any new and useful improvement of either of them;";

(c) after clause (k), the following new clause shall be inserted, namely:--

"(ka) 'mail box' means the mail box facility provided under subsection (9) of section 13;";

(d) for clause (o) the following shall be substituted, namely:---

"(p) 'person' means any natural or juridical person and includes any association or body of individuals,-whether incorporated or not;";

(e) for clause (s) the following shall be substituted, namely:--

"(s) 'process' means any art, process or method or manner of new manufacture of a product;"; and

(f) for clause (t) the following shall be substituted, namely:--.

"(t) 'product' means any substance, article, apparatus or machine;".

4. Amendment of section 7, Ordinance LXI of 2000.---In the said Ordinance, in section 7,--

(i) in clause (c), the word "and" at the end shall be omitted: and

(ii) in clause (d), for the full stop, at the end, the semicolon and word"; and" and thereafter the following new clause shall be added namely:---

"(e) substances that exist in nature or if isolated there from;";

(b) in subsection (4),---

(i) for clause (a) the following shall be substituted, namely:--

"(a) for invention the prevention of commercial exploitation of which would be necessary to protect the "order public" or morality, including to

protect human, animal or plant life or health or to avoid serious prejudice to the environment, provided that such exclusion is, not made merely because the exploitation is prohibited by any law for the time being in force";

(ii) for clause (b) the following shall be substituted, namely:---

"(b) for plants and animals other than micro-organisms, and essentially biological processes for the production of plants or animals other than non biological and microbiological processes;"

(iii) in clause (c), for the word "diagnostic" the word and comma "diagnostic," shall be substituted; and

(iv) after clause (c), the following new clauses shall be added, namely:--

"(d) for a new or subsequent use of a known product or process; and

(e) for a mere change in 'physical appearance of a chemical product where the chemical formula or process of manufacture remains the same provided that this clause shall not apply to an invention fulfilling the criteria

5. Amendment of section 9, Ordinance LXI of 2000.---In the said Ordinance in section 8,-----

(a) to subsection (2),--

(i) in clause (a). for the word "and", at the end, the word "or" shall be substituted:

(ii) after clause (b) the following new clause shall be added, namely:--

"(c) traditionally developed or existing knowledge available or in possession of a local or indigenous community."; and

(b) for subsection (3) the following shall be substituted, namely:--

"(3) Notwithstanding the provisions of subsection (2), disclosure of a patentable invention in respect of goods shall not constitute 'state of the art' if an article is exhibited at an official or officially recognized international exhibition within twelve months preceding the date of filing of an application for grant of patent. If later on, the right of priority is invoked, then the period shall start from the date of introduction of the article into the exhibition. The Controller may require proof, with such documentary evidence as considered necessary, of the identity of the article exhibited and the date of its introduction into the exhibition. "

6. Amendment of section 9, Ordinance LXI of 2000.---In the said Ordinance, in section 9, the words, brackets, letter and figures "clause (a) of subsection (2) of" shall be omitted.

7. Amendment of section 10, Ordinance LXI of 2000.-----In the said Ordinance, in section 10,---

(a) for subsection (1) the following shall be substituted, namely:--

"(i) An invention shall be considered to be capable of industrial application if it is capable of being manufactured or otherwise industrially used."; and

(b) subsection (2) shall be omitted.

8. Amendment of section 13, Ordinance LXI of 2000.---In the said Ordinance, in section 13,--

(a) in subsection (3) the words "or to a group of inventions so linked as to form a single general inventive concept" shall be omitted: and

(b) after subsection (7) the following new subsections shall be added, namely:--

"(8) An application for an invention relating to genetically modified organisms shall require clearance from the Federal Government and shall comply with such requirement as may be prescribed.

(9) An application for availing exclusive marketing rights for a patentable invention relating to pharmaceutical or agricultural chemical product shall be filed in the mail-box provided for this purpose by the Controller who may require the form and manner for submitting such application as may be prescribed."

9. Amendment of section 15, Ordinance LXI 2000.---In the said Ordinance in section 15.

(a) for subsection (1) the following shall be substituted, namely:--

"(1) Every specification, whether complete or provisional, shall describe in the form and manner as may be prescribed."

(b) after the subsection (2), the following new subsections shall be inserted, namely:--

(2A) For a chemical product intended for use in medicine or agriculture, the specification shall be specific to one chemical product only describing the physical chemical, pharmacological and pharmaceutical properties or, as the case may be the properties related to its use in agriculture and its impact on environment.

(2B) Where a biological material is used, the specification shall disclose the place of origin and source of such biological material and shall also exhibit compliance with the relevant applicable rules on access, export and use of that material any where such a material is obtained from Pakistan.

for use outside Pakistan, the permission of the Federal Government shall be necessary as may be prescribed:";

(c) in the subsection (3) for clause (c) the following shall be substituted, "(c) end with a claim or claims concisely defining the scope of the invention for which protection is claimed."; and

(d) after the subsection (7), the following new subsection shall be added namely:---

"(8) Claim or claims in respect of a complete specification of a chemical product intended for use in agriculture or medicine shall be structurally defined and shall relate to a single chemical product only, excluding its derivatives and salts. Each of which, with a material or a novel improvement in its claim from the main product, shall be filed as a separate invention or where applicable as a divisional application. Where structural description is not possible, as in the case of biological products, the "product by process" claim shall be made and protection shall be limited to the product obtained with the claimed process only:

Provided that claim which is based on a mere admixture resulting only in aggregation of the properties of the component substances thereof, or a processing of producing such substance shall not be allowed".

10. Substitution of section 22, Ordinance LXI of 2000.---In the said Ordinance, for section 22 the following shall be substituted, namely:---

"22. Effect of acceptance of complete specification.---After the acceptance of an application and until the date of sealing a patent in respect thereof, or the expiration of the time, for sealing, the applicant shall have the like privileges and rights as if a patent for the invention had been sealed on the date of the acceptance of the application;

Provided that the applicant shall not be entitled to institute any proceedings for infringement until the patent has been sealed. "

11. Amendment of section 30, Ordinance LXI of 2000.---In the said Ordinance, in section 30,--

(a) for subsection (i) the following shall be substituted, namely:---

"(1) Subject to the provisions of this Ordinance, the holder of a valid patent in Pakistan shall have the following rights, namely:--

(a) Where the subject-matter of patent is a product, the holder of valid patent may prevent third parties not having the owner's consent from the acts of making, using offering for sale, selling, or importing for these purposes that product; and

(b) where the subject-matter of a patent is a process, the holder of a valid patent may prevent third parties not having the owner's consent from the act of using the process, and from the acts of using, offering for sale, selling, or importing for these purposes at least the product obtained directly by that process.

(b) (2) the following shall be substituted, namely:---

"(2) The holder of a valid patent shall also have the right to assign or transfer by succession, the patent and to conclude licensing contracts.";

(c) for subsection (4) the following shall be substituted, namely:---

"(4) Where a person has filed an application in the mail-box, in accordance with subsection (9) of section 13, for protection of an invention relating to a pharmaceutical or agriculture chemical product. Exclusive marketing rights shall be granted for a period of five years after obtaining marketing approval or until a product patent is granted or rejected whichever period is shorter, provided that, subsequent to the first January, 1995 a patent application has been filed and a patent granted for that product to an Convention country and marketing approval obtained in such country;"

(d) after subsection (4), substituted as aforesaid, the following new subsection shall be inserted, namely:---

"(4A) where a person has made an invention in Pakistan in respect of a process of manufacture of any of the products referred to in subsection (4) and has obtained a patent for the same and has filed an application in the mail-box for protection of the invention, and has been granted marketing approval thereof, then he shall have the exclusive marketing rights for that product for a period of five years after obtaining marketing approval or until a product patent is granted or rejected whichever period is shorter.";

(e) in subsection 5,--

(i) for clause (a) the following shall be substituted, namely:---

"(a) acts in respect of articles which have been put on the market anywhere to the world by the owner of the patent or with his consent or by an authorized person or in any other legitimate manner such as compulsory licenses;"

(ii) in clause (c), the word-' or', at the end, shall be omitted: and

(iii) in clause (d) for the full stop, at the end, the semicolon and word "; or"

(f) acts done for teaching purposes in educational or research institutions. "

12. Substitution of section 48, Ordinance LXI of 2000.---In the said Ordinance, for section 48 the following shall be substituted, namely:---

"48. Revocation of patent by the Federal Government. ---Where the Federal Government is of the opinion that---

(a) a patent or the mode in which it is exercised is mischievous to the State or generally prejudicial to the public; or

(b) a patent has been obtained through concealment or misrepresentation in the application; or

(c) where the compulsory; licence granted to prevent the abuse which might result from the exercise of the exclusive rights conferred by the patent, for example, failure to work or in relation to anti-competitive practices, has not been sufficient, it may, after giving the patentee an opportunity of being heard, make a declaration to that effect in the official Gazette, and thereupon the patent shall be deemed to have been revoked:

Provided that proceedings upon clause (c) shall not begin before the expiration of two years from the grant of first compulsory licence

13. Amendment of section 58 Ordinance LXI of 2000.---In the said Ordinance, in section 58,

(a) in subsection (1), in clause (ii) for the comma, at the end, the semicolon and word"; or" shall be substituted and thereafter the following new clauses shall be inserted, namely:---

"(iii) the patent holder refuses to grant a licence to a third party on reasonable commercial terms and conditions; or

(iv) where patent has not been exploited in a manner which contributes to the promotion of technological innovation and to the transfer and dissemination of technology,";

(b) in subsection (6) for the words "The authorization shall both exclude" the words "The authorization shall be considered on its individual merits and shall not prohibit" shall be substituted; and

(c) in subsection (10);---

(i) after the words "Government shall" the commas and words

"subject to adequate protection of the legitimate interest of the persons so authorized," shall be inserted; and

(ii) for the word "his" the word "the" shall be substituted.

14. Amendment of section 59, Ordinance LXI of 2000.-----In the said Ordinance, section 59,

(a) for subsection (1), the following shall be substituted, namely:-----

"(1) On request, made to the Controller after the expiration of a period of four years from the date of filing of the patent application or three years from the date of the grant of the patent, whichever period expires last, the Controller may issue a non-voluntary licence to prevent the abuses which might result from the exercise of the rights conferred by the patent, for example, failure to work.";

(b) in subsection (6), for the brackets and figure "(4)" the brackets and figure "(5)" shall be substituted;

(c) in subsection (7). for the brackets and the figures "(3)". "(4)" and "(2)" the brackets and figures "(5)", "(6)" and "(3)" shall respectively be substituted, and
(d) in subsection (8), for the brackets and the figures "(3)" and "(4)" the brackets and figures "(5)" and "(6)" shall respectively, be substituted.

15. Amendment of section 61, Ordinance LXI of 2000.---In the said Ordinance, section 61, for subsection (1) the following shall be substituted,

"(1) In any suit for infringement the Court shall have the power,--

(a) to grant relief by way of damages, injunctions or accounts provided that where permitted, effective provisional measure may also be ordered by the Court:

(b) to order if the subject-matter of a patent is a process for obtaining a product the defendant to prove that the process to obtain an identical product is different from the patented process and that the identical product in question shall, in the absence -of proof to the contrary; be deemed to have been obtained by cite patented process provided that the product obtained by patented process is new' if it has not been put into the market for more than one year before the date of the imitation of the judicial action by the patentee: ,

Provided that this provision shall' apply subject to prior proof by the plaintiff that the allegedly infringing product is identical to the product directly produced by the patented process:

Provided further that in the addition of proof to the contrary, the legitimate interests of defendants in protecting their manufacturing and business secrets shall be taken into account."

16. Amendment of section 74, Ordinance LXI of 2000.---In the said Ordinance, in section 74, for the words and commas "punishable with a fine which may extend to one thousand rupees and, in the case of a continuing offence, with a further fine of one hundred rupees for every day-after the first during which the offence continue" the words and commas "punishable with imprisonment for a term which may extend to two years, aryl with fine which may extend to one million rupees" shall he substituted.

17. Amendment of section 75, Ordinance LXI of 2000.---In the said Ordinance in section 75.-----

(a) in the subsection (1), for the words "two thousand rupees" the words" five thousand rupees" shall be substituted: and

(b) in subsection (2), for the words "ten thousand rupees' he words "fifty thousand rupees" shall be substituted.

18. Amendment of section 76, Ordinance LXI of 2000.---In the said Ordinance, in section 76, for the words "two thousand rupees" the words "five thousand rupees" shall be substituted.

19. Amendment of section 77, Ordinance LXI of 2000.---In the said Ordinance, in section 77 for the words "five hundred rupees" the words "twenty five thousand rupees" and for the words "one thousand rupees" the words "one hundred thousand rupees" shall be substituted.

20. Substitution of section 78, Ordinance LXI of 2000.---In the said Ordinance, for section 78 the following shall be substituted, namely:--

"78. Offences by companies, etc.---Where person guilty of an offence under this Ordinance is a company, corporation, firm or institution, every owner, director, and employee of the company, firm, institution or corporation., having knowledge of the offence and consented to the commission of the offence shall be guilty of the offence.

21. Omission of section 102 Ordinance LXI of 2000.----In the said Ordinance, section 102, shall be omitted.

22. Amendment of section 105. Ordinance LXI of 2000.---In the said Ordinance., in section 105. In Subsection (2),-----

(a) in clause (xii). the word, "and", at the end, shall be omitted: and

(b) in clause (xiii), for the full stop, at the end the semi-colon shall be thereafter the following new clauses shall be added namely-

"(xiv) the manner to establish the regime for exhaustion pit intellectual property rights.:

(xv) the details in respect of inventions referred to to subsection (4) of section 72
(xvi) the manner in which an invention shall be disclosed including the best mode known for the execution of the invention, the forms and limits of allowable claims and, in the case of inventions relating to microorganisms, the requirement and the manner of subsections of. a culture for experimental purposes in relation to the scope of the claim and the procedure for grant of such patents:
(xvii) the procedure and the criteria for determining the remuneration for a compulsory licence and the terms and conditions for licensing agreements including, in particular. those which do not adversely ,affect competition or cause impediment to the research and development in the country or to bind the licence to, transfer the improvements made by him to the licensot or to force the licensee to acquire technologies or inputs not needed or desired by
(xviii) the form of filing application and manner of grant of exclusive marketing rights.

23. Amendment of section 106, Ordinance LXI of 2000.---In the said Ordinance, in section 106, in subsection (4), the words and figure "provided that the provisions of section 31 shall apply to the term of a patent" shall be omitted.

24. Addition of new sections, Ordinance LXI of 2000.---In the said Ordinance, after section 106, the following new sections shall be added.

"107. Acts done in good faith.---No suit, prosecution, or any other legal proceedings shall lie against any Government employee or any person exercising any powers or performing any functions under this Ordinance or the rules made thereunder for any act or, thing which has been done in good faith,

108. Removal of difficulties.-----If any difficulty arises in giving effect to any of the provisions of this Ordinance, the Federal Government may, by notification in the official Gazette, make such provisions as it deems fit for removing that difficulty.