

How to prove a patent is active and working in India

Many countries have laws that require a patented invention to be 'worked' within that country. 'Worked', in this context, means that demand for the invention should be met in that country by the patentee.

India is unusual in that, as well as a requirement for working, it is also a legal requirement for the owner of a patent to demonstrate that their patent is being worked, with potential legal consequences if the patent owner does not comply.

We are often asked how seriously working laws need to be taken - are they ever really enforced, and what are the practical consequences of ignoring them?

The short answer...

Indian law requires a patent owner to file an annual statement of working at the Indian Patent Office. Failure to do so can carry a fine, and filing a false statement can incur both a fine and a prison term.

While Indian attorneys indicate that it is rare for penalties to be imposed, there is always a first time. We therefore advise complying with Indian working requirements and filing an annual statement of working so long as your Indian patent is in force.

This is how to prove a patent is being worked:

Annual statement

Typically Within six months of the end of the Indian financial year - that is, by 30 September - every patentee is required to file an annual statement of commercial working in India.

A statement of working is a simple form, which we can complete on your behalf. The statement must indicate the approximate revenue and/or value accrued to the patent owner in India, during the financial year being reported on, either through manufacture in India or importation into India. 'Approximate revenue' means the amount of revenue generated by commercialisation, such as through direct sales or licence payments. 'Accrued value' means

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value which has accrued through contracts or agreements, but which has not yet been realised. For example, if the product has been licensed but a payment has not yet been received from the licensee, the 'value accrued' is the expected amount of the payment.

If multiple patents are owned by the same person or company and cover inter-related concepts, or are all implemented in a single product, they can be considered as 'related patents' and a single statement of working can be filed for all of those patents.

It is no longer necessary for details of licences granted to be indicated on a statement of working. Instead, licensees must file a statement of working of their own.

What if your patent is not being worked?

It is still necessary to file a statement of working even if your patent is not being worked. In this case however, the statement of working must explain why the patent has not been worked. Detailed reasons are not required. We have found that an inability to find a licensee, seeking investment, or insufficient demand for the product are all acceptable reasons for the Indian Patent Office.

Penalty

If the owner of a patent, or licensee, fails to submit an annual statement, they can be fined up to INR 1,000,000. If the owner or licensee is found to have provided false information when submitting a statement, they can face up to six months in prison and/or receive a fine.

Even though it is rare for these penalties to be enforced, we recommend filing a statement of working to remove the risk.

The obligation to file a statement of working ends after a patent expires. There is therefore no need to file statements of working for patents which are no longer in force. Similarly, there is no obligation to file a statement of working until after your patent is granted.

What next?

If you would like more information, then please get in touch. You can email us info@barkerbrettell.co.uk or call us on **+44 (0)121 456 0000**.