

Eleventh Five Year Plan Scheme of Modernisation and Strengthening of Intellectual Property Offices

BACKGROUND

1. The Intellectual Property Offices (IPOs) in the country, administering the legislations dealing with Patents, Designs, Trade Marks and Geographical Indications, are the focal points for examination of Intellectual Property Rights (IPR) applications, granting or registration of rights and dissemination of IPR related information for the benefit of research & development and furthering of innovation in the country. The Intellectual Property (IP) infrastructure is one of the key elements of competitiveness in the new globalised international economic system.

2. Recognising the importance of the modernisation of IPOs for the economy, the Government has implemented projects for modernization of Patent Offices, Trade Marks Registry (TMR) and Geographical Indications Registry (GIR) in the 9th and 10th Five Year Plans at a cost of Rs.149.58 crore. The focus of these projects was commissioning of four state-of-the-art offices in Delhi, Kolkata, Chennai and Mumbai, creation of additional posts in the Patent Office and TMR, providing initial level of computerisation and Internet facilities, launching of electronic filing (e-filing) of patent and trade mark applications, establishment of online search facilities, establishment of Intellectual Property Training Institute (IPTI) to provide training and develop strategies for awareness creation. As a result of these initiatives, timelines for patent and trade mark processing have come down considerably and backlog of over 44,000 patent applications and 3,75,000 trade mark applications was liquidated in the last three years. The initiatives for creation of awareness have triggered IP activity in the country in terms of increased filing of the applications for grant of intellectual property rights (IPRs). The impact of these initiatives is as under:

- (i) The filing of patent applications increased six-times from 4,824 in 1999-2000 to 28,882 in 2006-07. The number of patents granted increased four-fold from 1881 to 7359 during the same period.
- (ii) Trade marks filings increased 1.5 times from 66,378 in 1999-2000 to 1,03,419 in 2006-07. Registration of trade marks increased more than ten-fold from 8010 to 1,09,361 during the same period.
- (iii) Average time taken for grant of patents reduced from about 6-10 years earlier to about 2-3 years. In case of trade marks, the average time for registration reduced from 7-10 years to 2 years.
- (iv) e-filing system for patent and trade mark applications, which is user-friendly, speedy and transparent, has been launched.

- (v) Provided for an institute with facilities for training of fresh Examiners as well as Controllers and Registrars in the IPOs.

NEED FOR FURTHER MODERNISATION

3. Further modernisation of the IPOs has become necessary for the following reasons:

- (i) Indian Patent Office has been recognised as an International Searching Authority and an International Preliminary Examining Authority (ISA/IPEA) under the Patent Cooperation Treaty (PCT) of World Intellectual Property Organisation (WIPO), which is a specialized agency of the United Nations in the field of IPRs, in October, 2007, joining an exclusive group of 15 countries/organisations which have so far been recognised so. The operational requirements for an ISA/IPEA would require establishment of digital database of patent records, access to major patent databases and modern search engines, and a minimum of 100 Examiners in the Patent Office;
- (ii) The Cabinet has approved India's accession to the Madrid Protocol, an international system for recognition of trade marks, administered by WIPO. To meet the requirements of this accession activities such as digitisation of trade marks records, modernisation of TMR to comply with strict timelines, enhancement of human resources and creation of modern infrastructure for TMR in Ahmedabad are to be taken up;
- (iii) The IPOs are not able to examine the increasing number of applications for patents, designs, trade marks and geographical indications which are to be examined in a reasonable timeframe without compromising on quality. At the current level of increase in filing, it is anticipated that the number of patent applications filed in 2011-12 will be about 72,000 compared to 28,882 in 2006-07. The number of trade mark applications is anticipated to increase to 2,05,000 compared to 1,03,419 during the same period. The present level of manpower in the IPOs is found to be insufficient to handle the workload within the statutory time periods.
- (iv) The quality of examination depends on the patent and non-patent databases accessible to the Examiners. To meet the standards required by the PCT regulations of an ISA/IPEA as well as for meeting the highest standards in examination, foreign patent databases are to be procured for the Patent Offices.
- (v) The other requirements in the area of computerisation are establishment of IPO database, search engine, Information and Communication Technology (ICT) infrastructure for ISA/IPEA, etc.

- (vi) Creation of awareness among stakeholders such as IP attorneys, researchers, innovators, enforcement agencies, academia and public at large, regarding the IP legislations, their implications, and international systems is necessary for efficient use of the IP system.

COMPONENTS OF THE PROJECT

4. In this background, the plan project for Modernisation and Strengthening of IPOs has been formulated at an estimated cost of Rs. 300 crore with the following components:

- (a) **Physical Infrastructure:** Construction of office building for ISA/IPEA operations at New Delhi in the land available with IPO, New Delhi. Construction of office building for TMR, Ahmedabad which would also cater to the requirement of archiving IPR records.
- (b) **Human Resources:** In order to handle increased workload of the IPOs, augmentation of human resources, primarily Examiners of Patents and Designs and Examiners of Trade Marks and Geographical Indications. In all 1380 posts are proposed to be created in a phased manner during the 11th Five Year Plan. Extending the Flexible Complementing Scheme (FCS) to the technical personnel in the Patent Office has also been proposed.
- (c) **Databases and Computerisation:** The computerisation related activities proposed are procurement of foreign databases such as EPOQUE Net, QUESTAL, etc. for quality search operations and meeting ISA/IPEA requirements, digitization of all IP records and creation of IPO database, development of systems software and supporting utility systems, development of web portal for IPOs, creation of infrastructure for ICT operations, upgradation existing Information Technology (IT) infrastructure at IPOs for all operations from filing to grant/registration, upgradation of networking infrastructure, etc.
- (d) **Creation of Awareness:** For creation of awareness among stakeholders and users, organising awareness and sensitisation programmes and preparation of publicity material is proposed.
- (e) **Other components:** Other related activities such as maintenance of buildings, procurement of furniture and office equipment, creation of library facilities, and other contingencies are proposed to be undertaken.

5. Component-wise project estimates, phasing, and details of the components are presented in **Annexes I to X**

APPROVAL OF THE SCHEME

6. While approving the scheme the Expenditure Finance Committee made the following observations:

- (a) It is assumed that the entire project, especially, relating to hardware/software, is drawn up with the objective of filling genuine gaps that are perceived. We should aim at having the least possible redundancy. There should be no duplication.
- (b) A task force be set up to conduct regular monitoring of the project so that the project does not suffer any time and cost over run. It is in our national interest that we complete this project within a specified timeframe.
- (c) EFC recognises the need for detailed concurrent evaluation after 3 years, by hiring an internationally reputed independent agency.
- (d) The issue of outsourcing to the extent possible without compromising on quality and security, etc. is to be ensured.
- (e) Requirements of ISA/IPEA are to be met through the project and India should get recognition that it deserves being part of the select club.
- (f) The major component of the project is human resources. The issue should be settled separately with DOPT and DOE. The nexus with other programme components should also be harmonised providing for modular expansion.
- (g) In the awareness campaign, there should be coordination with other Ministries and Departments so as to avoid duplication and overlap.

Annexure I

Component wise Project Cost				
Sl. No.	Components	Cost (Rupees in Crore)		Total
		Non-recurring	Recurring	
1	Cost of Land & Building construction (Ahmedabad & Delhi)	45	-	45
2	Maintenance of new buildings		5	5
3	Computerization including databases	59	29	88
4	Furniture and Office Equipment	15	5	20
5	Human Resources		97	97
6	Library facilities	4	2	6
7	Sensitisation, Awareness, Consultancies	-	20	20
8	Office Expenses :	-		19
	Travels, study visits, research,		10	
	Contingencies, printing expenses and publications		9	
	Total	123	177	300

Annexure II

Phasing of Expenditure

	Item	Outlay for XIth Plan		Total	2007-08		2008-09		2009-10		2010-11		2011-12	
		Recurring	Non-recurring		R	NR	R	NR	R	NR	R	NR		
1	Cost of Land & Building construction													
a	Trademarks Registry and Store room Ahmedabad including land (6000sq.mtr.)	--	24 (10+12+2)	24	--	4		9	--	8	--	3	--	0

b	ISA and IPEA building, Delhi (5000 sq.mtr.)	--	21 (0+18 +3)	21	--	--	--	9	--	6	--	6	--	--
2	Maintenance of new buildings	5		5	--	1	--	--	1	--	1	--	2	--
3	Computerization including databases	29	59	88	--	5	5	10	5	20	5	10	14	14
4	Furniture and Office Equipment	5	15	20	--	--	--	4	1	4	2	7	2	--
5	Human Resources	97		97	5	--	15	--	25	--	25	--	27	--
6	Library facilities	2	4	6	--	0.5	0.5	1	.5	1	0.5	1	0.5	0.5
7	Sensitisation, Awareness, Consultancies	20	--	20	4	--	4	--	4	--	4	--	4	--
8	Office Expenses :			19										
	Travels, study visits, research,	10	--		1	--	2	--	2	--	2	--	3	--
	Contingencies, printing expenses and publications	9	--		1	--	1.5	--	1.5	--	2.5	--	2.5	--
	Total	177	123	300	11.0	10.5	28.0	33.0	40.0	39.0	42.0	27.0	55.0	14.5

Annexure-III

Cost of Land and Building

(Rupees in crores)

Sl. No.	Item and Site	Allocation/Estimated Cost
1.	Cost of Land	
(i)	Land at Ahmedabad	10
2.	Cost of Construction	
(i)	New Delhi	18
(ii)	Ahmedabad	12
3.	Statutory Dues and Contingencies	
(i)	New Delhi	3
(ii)	Ahmedabad	2
	Total	45

Cost Estimate of Computerization for IPO for 5 years

(Rupees in Crore)

Sl. No.	Activity	NR	R	Total
1	Maintenance of Servers & their Upgradation (Primary Site -Delhi & Disaster Recovery(DR) site-Mumbai)	3.50	1.20	4.70
	<u>High-end Servers</u>			
	a) Proxy, Anti-virus & Patch Management, Network Management & Troubleshooting Backup Server, and Local Intranet Portal Server for Payroll, Library, Establishment and other e-governance applications @ Rs. 4.50 Lakh (5 Servers at each IPO Location) i.e. 5 x 4.50= 22.50 Lakhs	22.50 x 4 = 0.9		
		9.00x8 = 0.72		
	b) Application and Database Server for Primary and Disaster Recovery(DR) site @ Rs. 9.00 Lakhs (4 Servers each for Primary and DR site)	40 x 2 = 0.8		
	<u>SAN Storage</u> Storage(5 TB) each for Primary & DR site @ Rs. 40.00 Lakh	20 x 4 = 0.8		
	<u>Network connectivity Devices(FCIP Switch) & Accessories for Database Servers between Primary & DR site</u> FCIP Routers (2 nos. each for Primary and DR site) @ Rs.15.00 Lakh and Rs.10.00 Lakh for accessories	0.28	0.6	
	<u>Licenses for Server Operating Systems and Storage Devices</u> @ Rs. 40000 for each Windows Server O.S., ISA Web Proxy @ Rs. 2.50 Lakh and @ Rs. 3 Lakh for		0.6	

	<p>each San Storage devices</p> <p><u>AMC for Servers and Storage Devices</u></p> <p><u>Facilities Management of Data Centre</u></p> <p>i) System & Database Administration</p> <p>ii) Backup and Recovery (outsourced manpower 1 each for Primary and DR Site @ Rs. 50000/- per man month)</p>			
2	<p>Desk Top System maintenance & upgradation</p> <p>i) New Desktop Computers</p> <p>(a) High-end Configuration for Examination, Publication and scanning etc. @ Rs. 60000</p> <p>(b) Low-end Configuration for Office Automation @ Rs. 45000</p> <p>C) Laptop Computers @ Rs. 150000</p> <p>ii) AMC for existing & new Computers</p>	<p>7.35</p> <p>800x60000 = 4.8</p> <p>400X45000 = 1.8</p> <p>50x150000 =0.75</p>	<p>1.5</p> <p>1.5</p>	<p>8.85</p>
3	<p>Setting up of WAN and maintenance</p> <p>Routers (6 No.s) @ Rs. 10.00 Lakh</p> <p>Firewalls (8 Nos.) @ Rs. 5.00 Lakh</p> <p>2MBPS point-to-point Link(2 nos.) between Primary and DR site @ Rs. 9.00 Lakh per link</p> <p>Internet and VPN Services</p>	<p>1</p> <p>6x10.00=0.60</p> <p>8x5.00=0.40</p>	<p>5</p> <p>5x18.00=0.90</p> <p>60x5=3</p> <p>22x5=1.10</p>	<p>6</p>

	(Primary Link) with upgraded bandwidth Internet and VPN Services (Backup Link)			
4	Setting up of LAN & Maintenance <u>Managed Switch</u> Layer-3 Switch (L-3) @ Rs. 5.00 Lakh (2 Nos. for each IPO Office) Layer-2 Switch(L-2) @ Rs. 1.00 Lakh (10 Nos for each IPO Office) Layer-2 Switch(L-2) @ Rs. 1.00 Lakh (New creation for IPO Delhi) <u>LAN Nodes creation</u> 1200 nodes for all IPO offices @ Rs. 2500 per node <u>Upgradation of Fibre Optics Backbone for LAN</u> <u>AMC for LAN and Troubleshooting</u> <u>LAN Accessories and maintenance</u> <u>Network Management and Configuration @ Rs. 50000 per man month – One each for Primary and DR site</u>	1.85 8x5.00 = 0.40 45x1.00=0.45 60x1.00=.60 1200x2500=0.30 0.10	1.8 0.40 0.40 1	3.65
5	Peripherals 1. High-end scanners for in-house Digitisation Centres @ Rs. 20.00 Lakh for Primary and DR site 2. Low end Scanners for IPOs (50 Nos.) @Rs. 50000/- 3. Laser Printer for all IPOs (1200 Nos.) @ Rs. 25000/ 4. High end network printers 25 nos. for bulk printing @ Rs. 6 lakhs 5. UPS for data centre ISA and	6.13 4x20.00=0.80 50x0.50=0.25 1200 x0.25= 3 6x25=1.5 0.30	1.5	7.63

	<p>IPEA Training Centre, Public Search Library</p> <p>6. Smart UPS 100 nos. for all IPOs redundancy of mission critical client work station with ½ hour back-up @ 8000.</p> <p>7. Miscellaneous Keyboard, mouse, TFT, Racks etc.</p> <p>8. AMC for peripherals</p>	<p>100x8000= 0.08</p> <p>0.20</p>	<p>1.5</p>	
6	<p>System software & Supporting Utility (Servers and clients) and their upgrades for Operating Systems, Office Automation Suits</p> <p><u>System Software</u></p> <p>Office Automation Suit - OfficeXP (1200 nos.) @ Rs. 20000</p> <p>Oracle Database & RAC with Annual Technical Support and upgrades for Primary and DR site</p> <p>Other support software & utilities(Adobe, Anti-virus, network management, multi-lingual, web design, scanning, web server etc.)</p> <p>ATS for Anti-virus and other Softwares</p>	<p>2.24</p> <p>1200x0.20=0.24</p> <p>1.00</p> <p>1.00</p>	<p>2</p> <p>1.50</p> <p>0.50</p>	<p>4.24</p>
7	<p>Consumables (DVDs, CDs, floppies, printer cartridge, pen drives printed stationaries</p>	<p>4</p>	<p>2</p>	<p>6</p>

	Setting up of Help Desks, Kiosks and Public Search facilities at all IPOs	2		
	Providing Power Backup, Cooling and other ICT infrastructure related activities	1		
	Setting up of training centre at all IPO with 100 nos. of computer systems, plasma screens, OHPs, etc.	1	2	
	Integration of Bank for payment gateway and certifying authority for digital signature and third party security audit of ICT infrastructure and application software.	0.30		
	AMC and other upgradation activities		0.25	
	Total	59.12 (Rounded to Rs. 59 Crore)	29.17 (Rounded to Rs. 29 Crore)	88.29 (Rounded to Rs. 88 Crore)

List of minimum documentation required under PCT

Sl. No.	Documents
1	<p>National Patent Documents</p> <ul style="list-style-type: none"> ▪ Patent issued in and after 1920 by France, Germany, Japan, Former Soviet Union, Switzerland, United Kingdom, and United States. ▪ Patent issued by Federal Republic of Germany and Russian federation. ▪ Patent application published in and after 1920 in the above-mentioned countries. ▪ Inventor certificate issued by Former Soviet Union ▪ Utility certificate issued by and published application for utility certificate of France. ▪ Patent issued by and patent applications published in any other country. They include <ul style="list-style-type: none"> ○ African Intellectual Property Organisation – 1979 onwards ○ African Regional Industrial Property Organisation – 1985 Onwards ○ Australia – 1970 onwards ○ Austria – 1920 onwards ○ Canada – 1970 onwards ○ Eurasian Patent Office – 1996 onwards ○ European Patent office – 1978 onwards
2	Public International PCT applications
3	<p>Published non-patent literature as listed by the International Bureau of WIPO including 147 Journals.</p> <p>Cost of subscription of Journals for one year = Rs. 70 Lakhs</p>

In addition to above following database are also required to strengthen the search facilities.

1. STN
2. DELPHION
3. DIALOGUE
4. MEDLINE
5. EPOQUE
6. DERWENT
7. M-CAM

Annexure - VI

Proposed programmes (Annual) for Public Awareness and Sensitization

Sl. No.	ACTIVITY	Estimated Expenditure in Rupees
1.	International Level <ul style="list-style-type: none"> ▪ Patents <ul style="list-style-type: none"> ○ PCT related matter – 8 ○ Traditional knowledge - 4 ○ Patenting Issues in the emerging technologies – 4 ▪ Designs <ul style="list-style-type: none"> ○ Issues relating to Hague Agreement –2 ▪ Trademarks <ul style="list-style-type: none"> ○ Madrid protocol related issues- 8 ○ Registration of well known marks, collective marks, service marks –4 ▪ GI Awareness relating to protection of GI – International Issues -8 	32 Lakhs 16 Lakhs 16 Lakhs 8 Lakhs 32 Lakhs 16 Lakhs 32 Lakhs
2	National Level Patents –8 Designs –8 Trademarks – 8 Geographical Indications – 8	16 Lakhs 16 Lakhs 16 Lakhs 16 Lakhs
3	Regional Level Patents – 8 Designs – 8 Trademarks – 8 Geographical Indications – 8	8 Lakhs 8 Lakhs 8 Lakhs 8 Lakhs
4	Universities, R&D Institutions Patents –24 Designs – 24 Trademarks – 24 Geographical Indications – 24	24 Lakhs 24 Lakhs 24 Lakhs 24 Lakhs
5	Industry Associations Patents – 8 Designs – 8 Trademarks – 8 Geographical Indications – 8	8 Lakhs 8 Lakhs 8 Lakhs 8 Lakhs
6	<ul style="list-style-type: none"> ▪ Printing of publicity material ▪ Advertisement in News Paper and Media ▪ Preparation of Audio visual Aids 	12 Lakhs 6 Lakhs 6 Lakhs
	Total Expenditure for one year	400 Lakhs

Annexure - VII

Estimated Expenditure on Public Awareness and Sensitization

(In lakhs)

1. Public Awareness Programme International Level				
Description	Recurring	Non-Recurring	Number of Programmes	Total
Conference Hall rent, Lunch and Tea and hiring of Audio visual aids	2			
Stationery, Backdrops, banners, Invitation cards, printing of brochure etc.	2			
Payments for travel, accommodation, honorarium to the speakers	2			
Transportation and miscellaneous	1			
Advertisement and publicity	1			
Total	8		38	152
2. Public Awareness Programme National Level				
Conference Hall rent, Lunch and Tea and hiring of Audio visual aids	1.50			
Stationery, Backdrops, banners, Invitation cards, printing of brochure etc.	1			
Travel, accommodation and honorarium to speakers	0.50			
Transportation and miscellaneous	0.50			
advertisement and publicity	0.50			
Total	4		32	64
3. Public Awareness Programme Regional Level				
Conference Hall rent, Lunch and Tea and hiring of Audio visual aids	1			
Stationery, Backdrops, banners, Invitation cards, etc.	0.40			
Travel, accommodation and honorarium to speakers	0.40			
Transportation and miscellaneous	0.20			
Total	2		32	32
4. Public Awareness Programmes for University, R&D Institutions and Industry Associations				
Lunch and Tea for participants	1			
Stationery, Backdrops, banners, Invitation cards, printing of brochure etc.	0.40			
Travel, accommodation and	0.40			

honorarium to speakers				
Transportation and miscellaneous	0.20			
Total	2		128	128
5. Cost of Printing of Publicity material, advertisement in newspaper and Media and preparation of Audio Visual aids for IPO in respect of the programs conducted through item number 3 and 4, above.	6	18	-	24
Grand Total				400

Expenditure is Rs.400 lakhs per annum

Annexure - VIII
(in Crores)

Strengthening of Library Facilities

Description	Recurring	Non Recurring
Procurement of past volumes of 147 Journals Required as per PCT minimum documentation for ISA/IPEA		4.00
Subscription of Journals	2.00	
Total		6.00

Annexure - IX
(in Crores)

Expenditure Estimate for Furniture and Office Equipment

Description	Recurring	Non- Recurring
Furniture		
Furniture for officers and staff (for 1300 additional staff) CD cabinets, Fire proof Cabinets		6.50
Office Equipment		
Procurement of compactors for storage of records at Ahmedabad and also at other locations		4.50
Colour Photocopiers, Xerox Machines, Scanners, Fax machines, Laminating Machines, Electronic mops, Vacuum Cleaners		2.40
EPABX		0.60
Fire fighting equipments, Audio System Visual Systems, Jukeboxes for Database CDs		1.00
Repair of equipments and Maintenance	5.00	
Total	5.00	15.00
Grand Total		20.00

Annexure-X**Estimates for Office Expenses**

(in Crores)

Office Expenses including Travels, study visit, consumables stationery, etc.	Recurring
Travel, Study Visits	10.00
Contingencies Electricity, Security, House keeping, horticulture and other expenses Consumables, Stationery etc.	9.00
Total	19.00
