

SHRI KADAMBUR M.R. JANARTHANAN : Sir, we are not discriminating against any State. Under RIDF, NABARD sanctions funds mainly according to the rural population of the State.....(*Interruptions*). As a Member of Parliament you can monitor in your constituency whether the fund is properly spent by your State or not.....(*Interruptions*)

Patent Right for Basmati Rice to an American Company

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*42. SHRI MOTILAL VORA :
DR. T. SUBBARAMI REDDY :

Will the Minister of INDUSTRY be pleased to state:

(a) whether an American company 'Ricetech' has illegally got the patent of Basmati rice in its name;

(b) if so, the reaction of the Government thereto;

(c) the steps taken by the Government so far to raise this issue before World Trade Organisation and other International forums in order to get the above mentioned patent cancelled; and

(d) the measures taken by the Government to prevent other countries from taking out Patents on Indian Products?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) to (c) A patent under title "Basmati Lines and grains" was granted to Rice Tec. Inc. Alvin Texas on 02.09.1997 by the Commissioner of Patents and Trademarks, United States of America. An Inter-ministerial Committee has been set up under the Deptt. of Industrial Development, Ministry of Industry to prepare a challenge of the Patent accorded of M/s. Rice Tec., Inc. Basic material and scientific data to contest the award of Patent granted by the Commissioner of Patents and Trademarks, United States of America is also being compiled. The revocation of the patent would have to be carried out under the United States Patents and Trademarks law. Therefore, raising the matter for cancellation of patent before the World Trade Organisation and before other international fora does not arise.

(d) Patents are granted by respective Governments under their Patents laws. Whenever information is received about patents being taken on certain products which are of commercial interest to India and which in our view do not satisfy the criteria of patentability, steps are taken to assess whether the grant of patent can be challenged. When sufficient material is gathered, steps are taken for filing a petition for re-examination and ultimate revocation of patent in that country.

[Translation]

SHRI MOTILAL VORA : Mr. Speaker, Sir, I would like to know from the Hon. Minister whether the Commissioner of Patents and Trademarks of United States of America had sought any information from the Government of India before granting Patent of "Rice Tec. Incorporated, Alvin, Texas" on 2.9.97?

[English]

Let the Hon. Minister answer this part of my question.

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : No.

[Translation]

SHRI MOTILAL VORA : Mr. Speaker, Sir, if no information was sought from the Government of India, is the hon. Minister aware of the fact that in the name of basmati rice the company has started selling coarse rice produced under the patent Basmati Lines and Grains in USA.

SHRI SIKANDER BAKHT : We did get this information but it was received on 11.2.97 and we constituted a Committee on 12.2.97 to inquire into the matter to find out as to how we can persuade USA for re-examining the matter.

SHRI MOTILAL VORA : Sir, in reply to the (b) part of my question it has been mentioned that an inter-Ministerial Committee was constituted for it. I would like to know as to when this inter-Ministerial Committee was constituted and what action has been taken by this Committee so far?

SHRI SIKANDER BAKHT : I have stated that we got this information on 11.2.98, prior to that we had no information because such matters are kept secret in U.S.A. till an announcement is made in this regard. After the announcement was made we constituted the Committee on 12.2.98 itself and convened meetings and this process is still going on. I hope that finally we will be able to persuade USA for re-examination of this matter. But so far no final decision could be taken as it was a complicated matter.

[English]

DR. T. SUBBARAMI REDDY : Mr. Speaker, Sir, it is a very important thing for the country. 4.5 lakh tonnes of rice is being exported every year thereby earning a foreign exchange to the tune of Rs. 1,200 crore. It is very strange and surprising that the reply is so vague. It states: "When sufficient material is gathered, steps are taken....."

The situation is that basmati rice which is being produced in our country is accepted all over the world. It is a very famous rice particularly in America. They have very tactfully patented the name 'basmati'. There is every possibility of growing rice in Texas and in other parts of U.S.A. and sell it in the name of basmati.

Due to this, our country is losing foreign exchange and our exports are falling down. It is an irreparable damage for our country and our system. It has come to the notice of the Government in February 1967.

MR. SPEAKER : Dr. Subbarami Reddy, please put your supplementary.

DR. T. SUBBARAMI REDDY : Before putting the question, I should give the background.

MR. SPEAKER : You are not supposed to make a lengthy statement. You can ask only a supplementary.

DR. T. SUBBARAMI REDDY : My question is this. The Government has formed a Committee of eminent personalities drawn from the Departments of Industry, Commerce and Bio-technology, Ministries of External Affairs and Agriculture, and also from the Indian Council for Agricultural Research, etc. That Committee was formed long time back. I would like to know why no action was taken till today. The Minister is only saying that the report is coming. There is no secrecy involved here. It is a very straight case.

MR. SPEAKER : The main question is regarding Basmati rice. Please put your supplementary regarding that question.

DR. T. SUBBARAMI REDDY : The Minister has said that it was a secret and that it was not easy to get information from the US, etc. But I am saying that it is not so. It is a very simple thing. A patent for Basmati rice was given to Rice Tec. Inc. of America. The duty of the Government of India is to get the patent cancelled.

MR. SPEAKER : Please you should know something about the procedure also.

DR. T. SUBBARAMI REDDY : Before concluding, I will give this reply!

MR. SPEAKER : You cannot give a reply. You may put a supplementary.

DR. T. SUBBARAMI REDDY : My question is this. When is the Government going to succeed in their efforts to get the patent cancelled through that Committee and through this Government? It should be a commitment and it should not be a vague one. The hon. Minister must clearly say when is he going to do it. I want to know the answer.

SHRI SIKANDER BAKHT : I do not intend to go into the details of the things as you have said. I will tell you only one thing. It is only the exports to America which are going to be affected, if at all.

DR. T. SUBBARAMI REDDY : It is ten per cent.

[Translation]

SHRI SIKANDER BAKHT : Let me reply to this

question. There is no problem on local level, neither in production nor in export of basmati rice. We may face problem in export of rice to America as local patentees can challenge us there. But such chances are also quite remote. There are two or three reasons behind it. The first is that this new variety of rice is being produced in less quantity. This patent is also obtained under the name of Basmati Lines and Grains and not under the name of basmati rice. There is a little different but details are quite complicated. This new variety has been developed from Pakistani basmati rice and cross-breed has been developed there. Apart from that, the question of aroma, length of rice and starch content also arises. The experiment in this regard has not been completed as yet and, hence, there has not been full scale production of rice. That is why our export has not been affected.

[English]

DR. T. SUBBARAMI REDDY : I wanted to know when were they going to do it.

SHRI MURLI DEORA : In that case, why do you not challenge them in the US courts?

SHRI SIKANDER BAKHT : We are doing it. The Committee has not yet come back. They are considering it. They are looking into how they can go and challenge them.

[Translation]

SHRI G.M. BANATWALLA : Sir, the reply given by the hon. Minister reveals the carelessness of the Government in this matter. The reply is that our exports will not be affected. The enquiry has not been completed, we are looking into the matter. We are collecting information and so on. My question is that in this matter.....(Interruptions)

Sir, is it not a fact that our officers were not alert. A non-governmental organisation had to file a writ petition in the Supreme Court to enlighten the Government in this matter.....(Interruptions) so that some action could be taken in this regard.....(Interruptions)

[English]

MR. SPEAKER : Please ask your supplementary.

[Translation]

SHRI G.M. BANATWALLA : Sir, I have asked my supplementary in Urdu language and it is possible that you may not have understood that. Therefore, I ask it again in English.....(Interruptions)

Sir, I have already asked my supplementary. My question is : Is it not a fact that the officers were not alert and - even today with respect to this very important question - has the Government taken note of this fact, and would the Government assure the House by what time the Government will be ready.....(Interruptions)

[Translation]

SHRI RAJVEER SINGH : Hon'ble Member has said his point has gone over his head.....(Interruptions)

[English]

SHRI G.M. BANATWALLA : Sir, eight months have passed and would the Government now give an assurance to this House by what time they would be able to approach the authorities for re-examination of this patent?

[Translation]

SHRI SIKANDER BAKHT : Sir, the issue is under our consideration and action is also being taken(Interruptions)

[English]

MR. SPEAKER : I will get it clarified.

.....(Interruptions)

SHRI AJIT JOGI : Sir, who is the Minister? So many of them are replying.....(Interruptions)

[Translation]

SHRI CHAMAN LAL GUPTA : To say that the point has gone over his head is not good.

[English]

MR. SPEAKER : If there is anything unparliamentary, I will expunge it. Now, please take your seats.

.....(Interruptions)

MR. SPEAKER : We will examine it. Please take your seats now. Mr. Minister, have you replied to the question?

.....(Interruptions)

SHRI AJIT JOGI : Sir, we should know as to who is the concerned Minister?.....(Interruptions)

[Translation]

SHRI SIKANDER BAKHT : He thought that we were neither considering nor paying any attention towards this issue but I told him that we are also considering this issue. I do not agree with Hon. Member's view - That our officers were not alert. The officers are very active. As I have said that we received information on 11th February, 1997, we started our work from 12th February 1997. At present I am not in a position to give any specific assurance about the time by which it will be possible because it is not yet decided how we will go about this problem....(Interruptions)

SHRIMATI SUMITRA MAHAJAN : Mr. Speaker, Sir, the question on patent of basmati rice has arisen today. Earlier also, the question of neem had arisen and similar question be raised tomorrow about allanso also. From the point of view of security of these indian products I would like to know from the Hon'ble Minister whether we are thinking to make patent law part of geographical indiation so that our Indian products remain secure?

SHRI SIKANDER BAKHT : Other things cannot be linked with basmati rice. The point of hon'ble Member is very correct that by seeing the geographical importance it was said in connection with turmeric and neem(Interruptions) I am trying to give reply, you please listen to it(Interruptions) Let me tell you what points can be included in this.

[English]

Patent invention relates to novel rice lines, plants and grains of these lines -

[Translation]

There are various varieties of rice.

[English]

and to a method for breeding these lines. The invention also relates to novel means for determining the cooking and starch properties. This is specifically related to rice. Specifically one aspect of invention relates to novel rice lines whose plants are, semi-dwarf stature, substantially photoperiod insensitive and high yielding and produce rice grains having characteristics similar to or superior to those good quality basmati rice

[Translation]

Basically various other things which the Hon'ble Member has mentioned in connection with rice are totally different.

[English]

SHRI S. JAIPAL REDDY : Mr. Speaker, Sir, this is a matter relating to the definition of patents. If you take up GATT-II under which the WTO has been set up, the geographically specified products have been given certain protection. Did the Ministry try to raise a dispute at the WTO itself? Why did not the Ministry take up the matter in the US Courts?

SHRI SIKANDER BAKHT : I am sorry, Sir, it has nothing to do with the WTO. The question will have to be taken up in the Courts of US because it is entirely of a different nature. It is not a trade-related dispute. It is a patent-related dispute. It will have to be taken up to the US Courts for solution

SHRI S. JAIPAL REDDY : Patents are covered by TRIPS.....(Interruptions) The reply given by the Minister does not seem to be correct.

[Translation]

PROF. PREM SINGH CHANDUMAJRA : It is a very important matter related to World Trade Organisation. There should be Half an hour discussion on it. It is a matter of grave concern if foreign countries will start patenting the Indian products.

SHRI BENI PRASAD VERMA : This matter relates to farmers. It affects the efficiency of our country.

MR. SPEAKER : Please cooperate. We have covered only two questions in 40 minutes.

SHRI S. JAIPAL REDDY : Sir, I am saying that the reply given by the Minister is incorrect.....(Interruptions)

MR. SPEAKER : I have called the next question.

Value of Rupee

*43. SHRI HARI KEWAL PRASAD :
SHRI MADHAV RAO SCINDIA :

Will the Minister of FINANCE be pleased to state :

(a) the percentage of fall in the value of rupee against Americal Dollar during the last three years with year-wise break-up;

(b) the reasons behind this sudden devaluation of rupee;

(c) whether the Government have taken short term and long term measures to salvage the Indian rupee;

(d) if so, the details thereof; and

(e) the extent to which these steps have helped in stabilising and strengthening the rupee against the Dollar?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) The year-wise break-up of the nominal depreciation of the exchange rate of the rupee against the US dollar during the last three years is as under:

Financial Year/Period	Period Average Exchange Rate (Rs. US \$)	Depreciation of the rupee over previous period (in per cent)
1994-95	31.399	
1995-96	33.447	6.12
1996-97	35.500	5.78
1997-98	37.165	4.48

(b) The exchange rate of the rupee in India is market determined. The movement in the nominal exchange rate of the rupee vis-a-vis the US dollar over the years reflect the development in the foreign exchange market conditions in India, which in turn are influenced by the underlying trends in the inflow and outflow of foreign exchange arising from India's international transactions on the current and capital accounts of balance of payments as well as by the short-term speculative factors. Movements of the rupee against the dollar also reflect to some extent the movement of the dollar against other currencies in the international markets.

(c) to (e) The exchange rate development are closely monitored both by the Government and the Reserve Bank of India (RBI). The RBI, as and when necessary, intervenes in the foreign exchange markets and deploys suitable monetary measures to effectively counter speculative pressures on the rupee and to ensure orderly foreign exchange market conditions. The long term measures undertaken by the authorities include fostering macroeconomic stability, pursuit of rapid growth of output and productivity, regular monitoring of the developments in the balance of payments and institution of appropriate policy measures so as to keep the level of the current account deficit within sustainable levels and to manage capital flows consistent with the country's requirement of external financing and build-up of foreign exchange reserves. These measures have helped to maintain reasonable stability in the external value of the rupee during periods of speculative pressures and to maintain the level of exchange rate consistent with the preservation and improvement of India's external competitiveness.

[Translation]

SHRI HARIKEWAL PRASAD : Sir, the Hon'ble Minister himself has admitted in the statement laid on the Table of the House that devaluation of the rupee took place from time to time. He himself has stated that speculation leads to the ups and downs in the value of the rupee. I would like to know from the Hon'ble Minister that if these ups and downs are due to the speculative pressure on the rupee, what steps are being taken to counter it?

SHRI YASHWANT SINHA : Mr. Speaker, Sir, when in August, 1994 rupee was made convertible under current account, its transaction started in the Indian market like any other commodity. People with foreign exchange like Dollar etc. get together in the market and the value of rupee is determined on the basis of demand and supply. The value of every foreign exchange including Dollar is determined in this manner. The main consideration is that besides the economic situation of the country sometimes speculators also enter the market and indulge in the trading of rupee. We have given this answer. So far as checking of this trend is concerned, I would like to say that Reserve Bank of India is continuously monitoring the rupee market. Reserve Bank intervenes in the market from time to time if needed because it is the policy of the