

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:5466

ANSWERED ON:15.05.2007

PATENT ACT

Ahir Shri Hansraj Gangaram

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of adverse effects of enforcement of product Patent Act in place of Process Patent Act in wake of liberalization and World Trade Organisation (WTO) regime;

(b) whether the Government proposes to constitute any Committee or an inquiry Committee to review the adverse effects caused in Small Scale Industries owing to adopting of product Patent;

(c) if so, the assistance being provided or proposed to be provided by the Government for the new technology and product research to the Small Scale industries which are unable to bear the expenditure of research in view of shortage of funds; and

(d) the role of the Government in regard to royalty on product in the Small Scale Industry?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR)

(a) and (b): The product patent regime for food, pharmaceutical and chemical inventions has been introduced with effect from January 01, 2005. As such, it is too early to assess the impact of product patents on the small scale industries.

(c): The Government is implementing a number of schemes under which incentives, including financial assistance, are provided to the small scale industries for upgradation of technology, acquisition of improved plant and machinery and improvement of quality of management and systems. There is also a scheme of conferring annual national awards for research and development in small scale industries. With a view to creating awareness among small scale industrial units, the Government is also organizing sensitization programmes.

(d): Royalties as such are a matter of negotiation between the licensor and the licensee. The Patents Act provides for payment of reasonable royalty in case of use of a patent.