

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

UNSTARRED QUESTION NO:2574

ANSWERED ON:10.12.2012

ROYALTY IN GRANTING PATENTS

Rao Shri Sambasiva Rayapati;Yadav Shri Hukamdeo Narayan

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

- (a) whether the Indian companies pay royalty to foreign companies for patenting;
- (b) if so, the procedure/norms laid down with regard to payment of royalty along with the royalty paid to such foreign companies by Indian companies including their names during the last three years;
- (c) the concrete steps taken by the Government to protect the domestic companies from paying royalty;
- (d) whether the Government proposes to amend Indian patent law and if so, the details thereof; and
- (e) the likely effect on the Indian drug market in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(DR. S. JAGATHRAKSHAKAN)

(a) to (c): The Patents Act, 1970, gives monopoly rights to the patentee who in turn may license out the technology on such terms and conditions as agreed to mutually between the licensor and the licensee. However, in case of compulsory license granted by the Controller General of Patents Design and Trademarks (CGPDTM) the terms and conditions of the license including the royalty is decided as per the provisions of Section 90 of the Patents Act, 1970.

(d): No, Madam.

(e): Does not arise.