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Tarun Bansal: India witnesses patent surge

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Intellectual property (IP) rights initiatives are developing fast all over the world and by now it is an established phenomenon in the West. With the conformance to Trade Related Aspects of Intellectual Property Rights (TRIPS) patent regime and increasing competition from the MNCs, Indian companies have now realized the importance of innovation and have understood the need to protect those innovations.

Patent rights play an important role in giving such protection to all research based organizations and promote the free trade between companies and countries. As an observation from the exercise that we conducted, we have presented below our report on the filing trends of patent applications in India with a special focus on life sciences industry.

Patent filings at the Indian patent office [IPO] have been increasing for the past 10 years. Last year the raise in patent filings at Indian patent office was 12.97 percent, which indicates a gradual increase in the filing of applications per year in India. This marks an increased awareness in filing of patent applications in India in all domains. Patents are being filed in all sectors; however Biotechnology, pharmacy chemistry, and medical devices have taken a lead in patent filing area.

Although, there is increase in the number of filings in the life sciences areas in India, they are still significantly lower as compared to international averages (especially on the biotech side). The gap is diminishing but it will still take some time before we are there. But does this mean lack of opportunities and optimism for life sciences industry in India?

The answer is no. To put things in the right perspective and see the importance of Indian life sciences industry on a worldwide scale, let us consider another important industry, popularly known as hi-tech industry (it includes electronics, computer sciences, and telecom). The industry currently leads the number of patents filings worldwide.

One simple reason for such high patent filings in this sector and high turnaround of innovations is relatively lower investments and negligible gestation periods, as compared to life sciences area where innovations require long gestation period and very high amount of investments. However, let us look at the number of patent filing in this industry in India:

It is clearly evident that in our country, life sciences sectors (including biotechnology, pharmacy/ chemistry and medical devices) have done enormously better than fast moving sectors like hi-tech. This indicates the importance of life sciences sector in India, growing dominance of India companies and interest of various MNCs in Indian market. Furthermore, looking at the strengthening patent portfolios in life sciences industry in India, it is evident that the country is going to be a deciding ground for life sciences industry in the future and will lead to a lot of opportunities and value creation for Indian professionals engaged in this sector.