

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:2952
ANSWERED ON:22.08.2006
IMPACT OF PATENTS
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Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

- (a): whether there has been adverse impact on the Small Scale Industries (SSI) by switching over to product patent from job patent laws;
- (b): if so, whether the Government proposes to review the impact of ill-effects of product patent on SSI;
- (c): the details pertaining to the assistance being provided/proposed to be provided by the Government to SSI for adopting new technology and carrying out product research in view of their financial constraints; and
- (d): the details on the role of the Government with regard to product royalty prevailing in SSI?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)&(b): Product patent protection, introduced under the Patent (Amendment) Act, 2005 in drugs, food and chemicals, became effective from January 01, 2005 as product patent protection already existed for other fields. It is too early yet to assess the impact of the latest product patent protection on the small scale industries (SSI). However, the Government (in the Ministry of SSI) has been monitoring the situation through interactions with SSI associations and other stakeholders.

(c): The Government implements a number of schemes under which incentives, including financial assistance, are provided to the SSI for upgradation of technology, acquisition of improved plant and machinery and improvement of quality of management and systems. Besides, there is a scheme of conferring annual national awards on SSI units for excellence in research and development.

With a view to creating awareness among the SSI units, their associations and other concerned with intellectual property rights and their implications for the sector, the Government has also been organising sensitization programmes all over the country.

(d): The amount of royalty for transfer of technology/know-how in any industrial sector, including small scale, is based on the market value of the technology/know-how. No legal norms have been fixed for this.