It is our pleasure to report to the state of affairs concerning the patents regime in Pakistan.

**PATENT OFFICE HIGHLIGHTS**

The Patent Office continued to develop its capacity to meet the challenges of a developing economy, especially in light of the pressure placed on it due to an exponential growth in Patent Oppositions. Of particular note has been the Patent Office’s ability to facilitate a more robust and expeditious examination of patent applications, in particular pertaining to the examination for novelty.

The examination of patent Applications has seen improvement resulting more expeditious decisions on Patent Applications.

The Patent Office has cleared off a large chunk of the examination backlog resulting from the mail-box applications.

- Patent Prosecution

  In calendar year 2012, 894 Patent Applications were filed in Pakistan. Figures for the last few years are given below:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Applications filed at Patent Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1558</td>
</tr>
<tr>
<td>2008</td>
<td>1545</td>
</tr>
<tr>
<td>2009</td>
<td>1212</td>
</tr>
<tr>
<td>2010</td>
<td>1094</td>
</tr>
<tr>
<td>2011</td>
<td>953</td>
</tr>
<tr>
<td>2012</td>
<td>894</td>
</tr>
<tr>
<td>2013</td>
<td>654</td>
</tr>
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<td>(as of September)</td>
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</table>
• **Patent Filing Trends**

Pakistan has Patent filings continue to be driven by pharmaceutical, veterinary, agricultural science and biotech companies.

Patent filings continue to decrease every year, registering a 50% decrease if the figures of 2007 are compared with the figures of 2012, which is quite alarming. This is driven by a number of general factors: stagnating economic performance, reduction in foreign investment and structural changes in the pharma / biotech sector.

Another factor which may be playing an important role is the sluggishness and perceived ineffectiveness of the Pakistani legal system, which has played a role in making it harder for patentees to protect their interests.

There is some hope that patent filings may pick up, especially in the mobile communications and networks sector. Pakistan has more than 125 Million mobile phone subscriptions, giving it the highest mobile penetration in South Asia. The extent of the network can be gauged from the fact that Pakistanis annually share close to 200 Billion text messages, and is cited as producing the third highest SMS traffic in the world.

• **Patent Opposition**

Patent opposition filings have drastically reduced in the past year. In the past the majority of oppositions have been filed by the Pakistan Pharmaceutical Manufacturers’ Association, which is a trade body representing the interests of generic pharmaceutical manufacturers in Pakistan.

Many of the Patent Oppositions filed earlier remain pending and the Patent Office has been holding hearings on the legal and factual objections that have been raised.

• **Litigation**

Patent litigation has been subdued with only a limited number of suits, petitions or motions filed before the court. The only notable legal action involved the filing of suits and countersuits between Novartis AG and various generic pharmaceutical companies pertaining to the product Vildagliptin. Novartis has sought an injunctive relief against the manufacture of Vildagliptin products by other companies, whereas the generic companies and their representative association are challenging the validity of the Vildagliptin patents.

A Constitutional Petition has also been filed in the High Court of Sindh at Karachi by Pakistan Pharmaceutical Medical Association which is a representative association of generic pharmaceutical companies is contesting the arbitrary use of certain powers by the Controller of Patents.

Recently, a local pharmaceutical company has filed an appeal wherein the said company has challenged the decision of the Patent Controller. Interestingly, the said company was not a party to the Opposition proceedings but has pled that an appeal may be filed by any person who is adversely affected by the order passed by the Controller of Patents and as such the Appellant has the locus standi to file the instant
appeal. At the request of the appellant and with respondent’s consent, this case has been admitted by the Honorable Court for detailed hearing.

**LEGISLATIVE AND ADMINISTRATIVE CHANGES**

There has not been any new legislation since the passing of the Intellectual Property Organization Act, 2012 (“the Act”), as highlighted in last year’s report.

As a result of the Act, the Intellectual Property Organization ("IPO") of Pakistan will have independent stature and report directly to the Federal Cabinet. IPO is tasked with the administrative control of all IP offices / registries and with formulating the country’s IP policies.

An important provision contained within the Act is the formation of IP Tribunals that will have exclusive jurisdictions over all patent, design, trademark and copyright cases. Currently, the District Court (in the case of the Karachi, the High Court if the claim is more than fifteen million) has jurisdiction to hear cases pertaining to the infringing / violation of IPRs. The Act sets out a framework for the establishment of administrative tribunals that will have exclusive jurisdiction over such cases. As yet, the IP Tribunals have not become functional and as such all cases are filed with the courts till date.