



Government of India  
Ministry of Defence  
Department of Defence Production

POLICY ON  
CREATION AND MANAGEMENT OF INTELLECTUAL PROPERTY (IP)  
BY DEFENCE PUBLIC SECTOR UNITS & ORDNANCE FACTORIES

Sep 2019

Intellectual Property Facilitation Cell  
Director General Quality Assurance  
G Block, DHQ P.O  
New Delhi 110011

## Index

1. Background
2. Policy Objectives
  - 2.1 Awareness regarding IP and IPRs
  - 2.2 Creation of IP Assets
  - 2.3 Management of IP Rights
3. Implementation Strategy
  - 3.1 Awareness regarding IP and IPRs
    - 3.1.1 Necessity
    - 3.1.2 Strategy for Basic Training
    - 3.1.3 Mid and Advanced Level Training
    - 3.1.4 Creative Problem Solving and Techniques & Tools
    - 3.1.5 Mechanisms for Technology Scan
  - 3.2 Creation of IP Assets
    - 3.2.1 Spotting and Nurturing of Talent for IP Creation
    - 3.2.2 Documentation of Creative Ideas / Concepts
    - 3.2.3 Mentoring and Facilitation
    - 3.2.4 Channeling Quality Circle / Kaizen Forums for IP Creation
    - 3.2.5 Screening Mechanism
    - 3.2.6 IP Creation during Indigenization
  - 3.3 IPR Management
    - 3.3.1 Capacity Building for IPR Management
    - 3.3.2 Decision Criteria for Patent Filing or In-house IP
    - 3.3.3 Patentability Assessment
    - 3.3.4 Patent Drafting
    - 3.3.5 IPR Filing
    - 3.3.6 Maintenance of IPR
    - 3.3.7 IPR Enforcement

3.3.8 Licensing and IP Monetization

3.3.9 Sharing of IPR with Academia / Pvt Sector / Starts-ups

3.3.10 Sharing of Rights with Employees

3.3.11 Marching Rights as per Patent Act

3.3.12 IPR Filing in Foreign Countries

4. Summary and Conclusion

## POLICY ON CREATION AND MANAGEMENT OF INTELLECTUAL PROPERTY BY DEFENCE PUBLIC SECTOR UNITS AND ORDNANCE FACTORIES

### 1. Background

1.1 The innate potential of Indian minds for creativity and innovation is globally recognized. Consequently, it is common to find Indian origin persons in leading positions across the globe in organizations and institutions developing cutting edge technologies, including those for defence applications. However, it is ironical that as a nation, we are still heavily dependent on foreign OEMs for import of military hardware. This anomaly needs to be addressed on a war footing. Therefore, a large number of initiatives are being steered by Ministry of Defence, Department of Defence Production to usher in necessary changes and to foster an enabling ecosystem that incentivizes indigenous design, development and manufacturing of cutting-edge military systems and technologies.

1.2 A key initiative named as 'Mission Raksha Gyan Shakti' (MRGS) has been initiated by Department of Defence Production to spur creativity and stimulate innovation in Indian defence sector. Mission Raksha Gyan Shakti aims to institute an enabling framework for creation and management of Intellectual Property (IP) in Indian defence sector. Accordingly, an Intellectual Property Facilitation Cell (IPFC) has been set up under the aegis of Director General Quality Assurance (DGQA) to steer all efforts in this direction.

1.3 The IPFC has been entrusted to formulate a comprehensive Policy on Creation and Management of Intellectual Property by Defence Public Sector Units (DPSUs) and Ordnance Factories (OFs). It is envisaged that this policy shall act as a roadmap for all DPSUs and OFs to set up a vibrant ecosystem and act as a force multiplier in the thrust towards self-reliance in the defence sector.

1.4 This Policy also addresses the aspect pertaining to IP Rights over components / sub-assemblies which are indigenized by DPSUs / OFs in accordance with the Indigenization Policy for DPSUs/ OFB promulgated vide GOI/ MoD/ DDP note No.1(18)/Indigenization/ DP(Plg) – ES/ 818 dated 08 Mar 2019.

1.5 This policy is derived from the National Intellectual Property Rights Policy 2016, promulgated by Department of Industrial Policy and Promotion (DIPP), Government of India, after suitable customization to address specific needs of the defence sector in general and Ministry of Defence / Department of Defence Production (DDP) in particular. This policy may be used by all DDP units as it is, or the units may further customize the same to derive their own specific policies as necessary, using this policy as a broad template.

## **2. Policy Objectives**

This policy aims to achieve three broad objectives, as listed below: -

2.1 **Awareness regarding IP and IPRs.** Firstly, the policy aims to spread awareness regarding Intellectual Property (IP) and Intellectual Property Rights (IPRs) amongst personnel of DPSUs / OFs, including their sub vendors, and other units under Department of Defence Production. A key focus of the awareness campaign needs to be the differentiation between the IP Assets per se and the legal Rights of individuals / organizations over such IP Assets. This is especially important for the stakeholders in Defence sector to note that majority of IP Assets created by DPSUs / OFs may not be disclosed in the open domain for the sake of securing legal IP Rights, but may be kept as Internal IP, akin to 'Trade Secrets', which is also a valid type of IP for which no legal rights are pursued due to well considered assessment of the merits / demerits of the case. The policy aims to develop human capital in DDP units for teaching, training, research and skill development in IP domain.

2.2 **Creation of IP Assets.** The second core aim of this policy is to stimulate and promote creativity, problem solving, innovative thinking, R&D and design skills leading to creation of new IP Assets during design / development / manufacturing of new products or improvements effected during the process of indigenization of components / spares of existing products. Given the immense value and potential of IP Assets, including monetary value which can be reflected on the company's Balance Sheet, an enabling framework must be instituted for effective capturing of all innovative ideas through

comprehensive documentation in the form of IP Disclosure Forms with the end objective of scaling up as robust products / processes.

2.3 **Management of IP Rights.** Thirdly, the policy aims to create an effective institutional framework for protection and management of Intellectual Property Rights (IPR) on those IP Assets for which a considered decision is taken by the organization to pursue legal rights despite the demerits of disclosure in the open domain. This includes commercialization of IPRs, strengthening of mechanisms for enforcement and adjudication for combating IPR infringements.

### 3. **Implementation Strategy**

#### 3.1 **Awareness regarding IP and IPRs**

3.1.1 **Necessity.** The current level of awareness regarding the intrinsic value of Intellectual Property (IP) and protection of the Rights over IP is quite sub-optimal in the Indian defence sector, as compared to global trends. There are several compelling reasons for boosting the level of awareness regarding IP and IPRs amongst the personnel of DPSUs / OFs and their sub-vendors. Firstly, the progress of any industrial enterprise is critically dependent on its capacity to create new ideas and innovations in the areas of technology, design and manufacturing processes. Second, a framework for protection of new ideas, creative thinking and innovations has a multiplier effect and encourages investment of additional resources for further innovations and creativity. Third, an enabling environment for promotion and protection of Intellectual Property spurs rapid growth of the entire ecosystem. Other compelling reasons for boosting the level of awareness regarding IP and IPRs amongst the personnel of DPSUs / OFs and their sub-vendors are enumerated below:-

(a) The progress of any industrial enterprise is critically dependent on its capacity to create new ideas and innovations in the areas of technology, design and manufacturing processes.

(b) A framework for protection of new ideas, creative thinking and innovations has a multiplier effect and encourages investment of additional resources for further innovations and creativity.

3.1.2 **Strategy for Basic Training.** While a number of training resources are available which provide basic level of awareness regarding IP and IPRs, these are largely focused on addressing the commercial and legal aspects as relevant for commercial entities in highly competitive markets. However, the training modules for personnel of DPSUs / OFs need to be focused on addressing the specific training objectives as relevant for its employees. Therefore, customized training modules on IP and IPRs addressing specific training needs of DPSUs / OFs including Tier 2 / Tier 3 vendors are being developed by IPFC and may be used for this purpose. The power of digital learning and on-line accessibility to standardized training modules designed for specific needs of DPSUs / OFs and delivered directly by eminent faculty, will be made available by developing Customized On-line Training (COLT) modules through Indian Institute of Management Bangalore (IIMB). All DPSUs / OFs may include the Basic level training on IP / IPRs as part of the curriculum of induction or mid-career training of all personnel.

3.1.3 **Mid and Advanced Level Training.** In addition to the basic level training for majority of personnel, there will be need to organize mid and advanced level training on IPR for select group of personnel, on as required basis. Towards this objective, a list of shortlisted courses and institutes / organizations through which these are available, will be periodically promulgated by IPFC, which can be further used by DPSUs / OFs for training of their respective personnel. The action plan in this regard may include the following:

- (a) Deputation of personnel for regular update courses (Both Basic and advance courses) on IPR at RGNIIIPM, Nagpur.
- (b) Strengthen and empower in-house training facilities to impart quality training for IPR administrators and managers.
- (c) Institute methods to evaluate the employees on IPR by means of assessment, both whilst undergoing the training as well as at regular interval to ensure employees remain current.
- (d) Implement Regular feedback mechanism with IPFC on the training conducted and its efficacy.
- (e) Conduct of yearly seminar on IPR related topics.

- (f) Encourage and incentivize personnel to undergo online IPR courses available in open domain viz. NPTEL, IIMB, FICCI, WIPO courses etc.
- (g) Establish MoUs with IP chairs in institutions of higher learning to provide quality teaching and research; develop teaching capacity and curricula.
- (h) Introduce IPR as part of academic curriculum at ab-initio induction stage.

**3.1.4 Creative Problem Solving Techniques and Tools.** While most individuals have an innate talent for innovation and ingenuity, it is not optimally nurtured and exploited due to various constraints. A number of techniques and tools based on scientific methods are now available to sharpen the dormant creative talent of individuals and channelize the same for organizational goals. These methods include various variants such as Creative Problem Solving (CPS), Design Thinking, Divergent and Convergent Thinking etc. In order to create an enabling environment for innovations and ingenuity, focused workshops may be organized to train and empower the personnel of DDP units with contemporary techniques and tools in this domain. Towards this objective, a shortlist of resources for conduct of training workshops on creative problem solving techniques and tools will be promulgated periodically by IPFC for use by DDP units.

**3.1.5 Mechanisms for Technology Scan.** In the interconnected world of today, an enormous wealth of information regarding latest breakthroughs and inventions in various technology domains is easily accessible. As a case in point, the Patent data bases of technologically advanced nations available in open domain provide pointers towards latest breakthroughs being made. It is also pertinent to highlight that patents are valid only in a limited geographical area and also for a limited duration, after which the exclusive rights of inventors cease to exist and the invention / IP is available open for exploitation by common public. Similarly, information on latest technological developments is available through a large number of professional journals and other sources. However, not many organisations are making optimal use of this invaluable wealth of information as a structured and sustainable source of inputs for improving their own products, processes or designs. In order to address this gap, all DPSUs / OFs are to institute structured mechanisms for periodical 'Technology Scan' or 'Whitespace Analysis' in their respective areas of interest by a dedicated team of Subject Matter Experts or in

association with academic institutes / specialist organisations such as NRDC. The reports generated through such Technology Scan / Whitespace Analysis need to be widely disseminated amongst concerned teams and optimally used as inputs for developing new products / processes or improving the existing ones.

### **3.2 Creation of IP Assets**

**3.2.1 Spotting and Nurturing of Talent for IP Creation.** The first and foremost enabler for an environment which encourages creation of new IP is to institute mechanisms for spotting and nurturing of talent for creation of IP Assets. It is well known that some individuals are endowed with exceptional abilities for creative and out-of-the-box problem solving skills. The top leadership team of the organization needs to ensure that exceptional talent of such personnel is identified and channelized towards design, development or improvement of products / processes. The senior and middle management levels should be sensitized to report such talent during Appraisal process. Special workshops should also be conducted regularly for spotting such personnel at an early stage of the career itself and further honing of skills of their creative skills through structured training modules. The organizational HR Policy may also include special incentives for such talent and steps should be taken to task them with challenging projects, rather than wasting their talent on routine and mundane tasks.

**3.2.2 Documentation of Creative Ideas / Concepts.** It is important to note that the key difference between a preliminary idea and a fully formed IP is the extent of the documentation of the idea. Therefore, a critical differentiator of an enabling environment for innovations and IP creation pertains to the organizational workculture of comprehensive documentation. While many individuals often come up with novel ideas and concepts for improvements in products / processes, however these are usually not captured in detail and remain only as preliminary ideas without being fully developed as deployable solutions and wider scaling up. It is important for organizations to address this gap by instituting the format of a suitable IP Disclosure Form for capturing the innovative idea with comprehensive documents, drawings, photographs, specifications etc. A template of IP Disclosure Form is placed at Annex A.

3.2.3 **Mentoring and Facilitation.** Another key enabler for an organization to achieve high rate of IP creation pertains to setting up of a team of Mentors / Facilitators who possess the requisite skills and experience, and are focused on the task of spotting, nurturing, mentoring and facilitation of personnel with exceptional creativity and innovative capabilities.

3.2.4 **Channeling Quality Circle / Kaizen Forums for IP Creation.** Most of the DPSUs/ OFs have a vibrant culture of Quality Circles and Kaizen forums at the grass root levels. A large number of creative solutions are being developed through these forums which are also being fielded at National and International level Quality Circle conventions. However, due to low level of awareness regarding IP and IPRs, the full potential of these forums for IP Creation is perhaps not being utilized. Therefore, organizational efforts may be focused to channelize the potential of the existing forums of Quality Circles and Kaizen teams as a source of creation of IP.

3.2.5 **Screening Mechanism.** The next pillar of a robust framework for IP Creation is to institute a comprehensive Screening Mechanism for assessing all proposals for their long term value and potential. Towards this all organizations should constitute IP Screening Committees at each major SBU and an Apex level Screening Committee at the Corporate HQ level. The SBU level IP Screening Committees should meet at least once in a quarter during which all IP Disclosure Forms received since last meeting should be presented in a structured manner for the Committee to decide upon the future course of action for each proposal. The Screening Committee should also be empowered to sanction any resources, including financial, HR or any other organizational support necessary for further development or trials of the proposal. The Screening Committee should also decide whether the IP Proposal should be utilized as an Internal IP (akin to a Trade Secret) or it merits filing for a Patent or Copyright to protect the legal Rights over the invention / innovation. It needs to be borne in mind that the decision to file for legal Rights has to be based on the merits and demerits of placing the details of a defence sector item in public domain, with the Rights in any case being limited to the jurisdiction of respective Patent Office and time period validity after which the Rights of inventor cease to exist and the invention / innovation is open for use by any entity.

### 3.2.6 **IP Creation during Indigenization.**

A key focus area for DPSUs and OFs needs to be the immense untapped potential for generation of IP during the process of indigenization of components and sub-assemblies used in defence platforms. Most of the imported components / sub-assemblies are based on older technology or material, as available during the period when these were originally designed. The goal of indigenization should include tangible value addition in indigenized items, as compared to the original imported equipment. Thus, indigenization should result in new knowledge, new process and product development/ improvement. This can be achieved during the design and development phase by use of latest generation material / technology / process / design features etc. which are available to the designers today, as compared to the era when original items were designed. All major improvements achieved during indigenization may be documented as IP assets and processed through the IP Screening Mechanism as described at para 3.2.5 above. In case a decision is taken by the Screening Committee to pursue protection of legal IP rights over such product / process improvements achieved during the process of indigenization, the drafting of Patent Applications may be progressed giving due cognizance to the original item as 'Prior Art'. Due care may be exercised to ensure that there is no violation of the terms and conditions of original contract / ToT agreement, in this process. In case of lack of clarity on the aspect of violation of contractual terms, the Screening Committees may choose the option of using the IP created during Indigenization as Internal IP Assets, rather than pursuing the Patent option to prevent avoidable conflict situation with the equipment OEMs.

3.2.7 It may also be pertinent to highlight that ToT agreements often include various aspects for the use of the technology e.g. duration, extent etc. It also gives out the ownership criteria in case of any modification/ improvement in the technology transferred. DPSUs/OFB to keep this aspect in mind while doing any modification/ improvement in the technology including during indigenization process to avoid any infringement issue. Thus DPSUs/ OFB should, as far as possible, plan for indigenization of parts / components / LRUs/ aggregates / sub systems / systems / spares without dependence on drawings / designs of foreign OEMs. It may be noted that patent right is a territorial right and is in force for a period of 20 years from the date of filing in that

particular territory of IP office. After the expiry of 20 years, the IP falls in public domain and anybody can use the technology without any legal implications.

### 3.3 **IPR Management**

3.3.1 **Capacity Building for IPR Management.** The DPSUs / OFs need to invest focused efforts to build capacity for IPR Management. Towards this objective, the action plan may include the following:-

- (a) In order to augment capacity for IPR Management, the Tier 1 IPFC established at the DDP level under the aegis of DGQA, needs to be supplemented with Tier 2 IPFCs at Corporate HQ level of each DPSU / OFB and Tier 3 IPFCs at SBU / OF level in each DPSU / OFB.
- (b) Manpower needs to be earmarked within each DPSU /OF for IPR management activities.
- (c) Study and review the best practices in IPFC organizational structure, training, career development, performance based incentives etc to imbibe relevant best practices to enhance efficiency and productivity.
- (d) Promote regular interaction between various IPFCs and other relevant units for exchange of best practices.
- (e) Provide easy access to IPR related statutes, regulations, guidelines, information etc. through organizational web portals.
- (f) Effectively utilize Cell for IPR Promotion and Management (CIPAM) under the aegis of DIPP to facilitate promotion, creation and commercialization of IP assets.
- (g) Explore the possibility of expedited examination of patent applications to promote defence manufacturing in India.
- (h) Fix and adhere to timelines for grant of registrations and disposal of opposition matters.
- (i) Conduct periodic audits of processes being adopted in IP administration of efficient grant and management of IP rights.
- (j) Constitute IP Screening Committees at each major SBU and an Apex level Screening Committee at the Corporate HQ level. IP Screening

Committees should meet at half yearly or annual periodicity during which all IP proposals formed since last meeting should be presented in a structured manner for the Committee to decide upon the future course of action for each proposal including filing in foreign countries, sharing of IPs with Academia, MSMEs, Startups and employees.

(k) Enable spotting, nurturing, mentoring and facilitation of personnel with exceptional creativity and innovative capabilities.

(l) Establish links among different DPSUs and OFs for exchange of information and ideas.

**3.3.2 Decision Criteria for Patent Filing or In-house IP.** Each organization needs to promulgate a clear SOP listing down the decision criteria for the Screening Committee to choose between pursuing the Patent Filing option or keeping the innovation as In-house IP. The SOP needs to be based on the analysis of merits and demerits of the two options for each specific case. The core merit of pursuing the Patent Filing option is the commercial value that can be derived by large scale production. On the other hand, the core demerit of the Patent Filing option is mandatory disclosures associated with the process. The topmost priority has to be given to ensure that no classified information gets compromised due to the Patent Filing process. In such cases, it is advisable to treat the IP as an in-house asset, akin to the 'Trade Secret' category, rather than pursuing the Patent Filing option. However, all innovations categorized as In-house IP Assets may be treated internally at par with Patent Filing cases for the purpose of Awards and Incentives.

**3.3.3 Patentability Assessment.** The patentability assessment process includes a patent search, a detailed analysis of the references discovered in the search, and a written report on patentability of an invention. The patent search is the first step in a patentability assessment. It involves searching for relevant 'prior art' documents. One of the three main criteria for an invention to be eligible for a patent is novelty. Therefore, sometimes, the patentability search is also termed as a novelty search. Other criteria for patent eligibility are non-obviousness and utility / capability of industrial application. Patentability assessment is an evaluation of the invention on these three parameters. Therefore, after completion of the Screening Mechanism, the IP Assets shortlisted for

Patent Filing option need to be subjected through a structured Patentability Assessment by the Tier 2 / Tier 3 IP Facilitation Cells of the DPSUs / OFs. Assistance of professional Patent Attorneys or specialist agencies such as NRDC may be sought for Patentability Assessment, in case of non- availability of in-house resources.

**3.3.4 Patent Drafting.** The patent drafting process is a specialist techno-legal task which entails in-depth knowledge about the specific invention, as well as the detailed rules and regulations of the Patent Authority at which the Patent Application is to be filed. Only a well-drafted patent application has ample chances of being accepted by the registration authorities. The services of qualified Patent Attorney may be availed for drafting of Patent Applications. However, the Inventors will need to interact closely with the Attorney during the process of Patent Drafting. A list of empaneled Patent Attorneys available in different stations / regions will be promulgated by IPFC along with approved rates for consultation, and the same may be used by DPSUs / OFs for this purpose.

**3.3.5 IPR Filing.** After completion of the Patent Drafting process, the patent application needs to be filed with the Patent Office under whose jurisdiction the organization is located. To secure the priority, patent application has to be initially filed in India. Based on business potential and market opportunities or strategic need for export the DPSUs/ OFs can decide to file patent application in the selected IP offices overseas.

**3.3.6 Maintenance of IPR.** After the grant/ registration of IPs, renewal fees need to be paid at pre-determined periodicity for each IP as tabulated below. Any failure of payments results in the loss of the IP right. Therefore, the Tier 2 IPFC at the Corporate HQ level of DPSU / OFB and Tier 3 IPFC at each SBU / Factory level are to meticulously maintain the up to date Master Record of the IPRs for monitoring the deadlines for payment obligations related to maintenance of protected IPRs.

S.No.	Type of IP	Life	Annuity Due
1	Patent	20	Every Year
2	Design	10 (+5)	10th Year
3	Trademark	10 + 10 (+∞)	Every 10th Year
4	Copyright	Year of Publication (+60)	Nil

### 3.3.7 IPR Enforcement.

An effective IPR enforcement regime is a central aspect of a well-functioning IP system. Therefore, it is important to preserve the legal validity of the IP before the relevant authorities. IP enforcement will prevent infringement from occurring, avoiding damages to good will or reputation and will enable the DPSU/ OFs to seek compensation for actual damages. In case respective DPSU/ OFs arrives at a decision at any point of life of IP, that particular IP is not required to be maintained, in such a case payment of annuity/ renewal fees can be discontinued, and is to be reported to IPFC for records. Further, Tier 2 / Tier 3 IPFCs should constantly monitor the market for any infringement of their Patents and take appropriate legal actions in case necessary. The action plan may include the following:-

- (a) Create awareness of the value of IP and respect for IP culture by:
  - (i) Educating the employees and sub vendors, on ills of counterfeit and pirated products.
  - (ii) Engaging with all levels of industry, in order to create respect for IP rights and devise collaborative strategies and tools.
  - (iii) Sensitizing inventors and creators of IP on measures for protection and enforcement of their rights.
- (b) Take reasonable steps to identify and protect company's own intellectual property.
- (c) Acquire, use and deal in only licensed copies of copyright protected material and patent protected products, in carrying out the company's business.
- (d) Strengthen the enforcement mechanisms for better protection of IP rights by Enhanced coordination between the various agencies and providing direction and guidance on strengthening enforcement measures; coordinating with and sharing of intelligence and best practices at the national and international level; studying the extent of IP violations in defence sectors; examining the implications of jurisdictional difficulties among enforcement authorities; and introducing appropriate technology based solutions for curbing digital piracy.
- (e) Providing regular training, including refresher training, for officials in IP enforcement.

(f) Encouraging application of technology based solutions in the enforcement of IP rights.

(g) Facilitate effective adjudication of IP disputes through different measures promulgated by IPO.

3.3.8 **Licensing and IP Monetization.** IP Assets may also be leveraged as a source of revenue, strengthening overall profits and diversifying risk. Intangible assets are developed as a part of a company's overall productivity and growth. Unlike tangible assets, intangible assets do not diminish through use and can usually be used by several parties simultaneously. As such, conducting due diligence and evaluating intellectual property asset strength is therefore crucial when executing co-development, licensing, collateralization, sale-leaseback and spin-out. Services of a marketing / ToT agency like NRDC may also be availed for managing the entire process of ToT / out licensing. In such cases the revenue sharing terms between the IPR Owner (DPSU / OF / Collaborator) and the marketing / ToT agency may be mutually negotiated. The action plan in this regard may include the following:-

- (a) Study and facilitate implementation of best practices for promotion and commercialization of IP within the country and outside.
- b) Promote licensing and technology transfer for IPRs; devising suitable contractual and licensing guidelines to enable commercialization of IPRs; promote patent pooling and cross licensing to create IPR based products and services.
- (c) Provide support for MSMEs, Individual Inventors and Innovators from the informal sectors with enablers like facilitation centers for single window services to help them commercialize their IPRs.

3.3.9 **Sharing of IPR with Academia / Pvt Sector / Start-ups.** It is a global trend to synergize research efforts of multiple stakeholders through collaborative development projects. The norms for IP sharing in case of collaborative projects are well defined and mutually agreed at the beginning of the collaboration itself. Similarly, DPSUs and OFs also avail the services of Academia / R&D Labs / Pvt Sector / Start Ups or even Individual Consultants for collaborative development projects. In all such Collaborative Projects, the

terms and conditions on sharing of IP Rights should be clearly specified in the Contract / MOU. In general, the IP Rights may be shared on the basis of cost sharing for development efforts. For example, in case the development is 100% funded by the DPSU / OF, then the Contract or MOU may clearly specify that the IP Rights shall be 100% owned by the DPSU / OF. On the other hand if the Collaborative Project is on 50:50 or 70:30 cost sharing basis, the IP Rights may also be shared in the same proportion. However, it may be pertinent to highlight that the share over IP Rights is a matter of negotiations between the collaborating agencies, which need to be finalized at the time of conclusion of contract / MOU and unambiguously included in the terms of the contract / MOU. It may also be advisable to foster an ecosystem which encourages Academia / MSMEs / Start-ups / Incubation Centers to participate in collaborative research with DPSUs / OFs by way of liberal and terms of sharing of IPRs in favor of the collaboration partners whose intellectual contribution is higher, rather than insistence on cost sharing as the basis of IPR sharing.

3.3.10 **Sharing of IPRs with Employees.** In general, all IPRs generated by the employees for which the efforts are put in during working hours may be treated as the exclusive property of the employer. In some organizations, the initial contract of engagement / employment clearly specifies the terms of IPR sharing between the employee and employer organization as negotiated at the time of initial employment. In order to encourage the spirit of creativity among the persons involved in generating IP, their names are to be always mentioned in the concerned IP application. For example, the patent act has an option to print names of inventors on patent document (by filing an additional form viz., form 8). This may be practiced for all patent applications. Further, suitable benefits like monetary incentives, awards, recognition, etc may be instituted by each DPSU / OF. Further, the Board of Directors of the DPSUs / OFB may deliberate and decide the Revenue Sharing norms between the organization and its employees.

3.3.11 **Marching Rights as per Patent Act.** If some items / components manufactured by private industry (including during indigenization process) are of strategic nature, and IP Rights are claimed by the industry, the Govt can invoke the relevant Marching Rights clause of the Patent Act to take over the IP and make suitable payment for the same to the firm. Further, in case items / components developed indigenously are

to be exported either by the by DPSUs / OFs or by sub-vendors / private industry, care should be taken to ensure that the IP Rights are not violated by any party in this process.

3.3.12        **IPR Filing in Foreign Countries.**        In case of IP Assets with export potential, decision may be taken by the Apex level Screening Committee of the DPSU / OFB to protect the IP Rights in foreign markets by filing of applications in respective jurisdictions. Such foreign filing can be done either as a 'Convention Application' or as a 'Patent Cooperation Treaty (PCT) Application'. The decision to file in foreign Patent Office needs to be taken within or before expiry of twelve months from the date of securing the priority in India.

4.            **Summary and Conclusion.**            This policy has attempted to lay down a comprehensive roadmap for all DPSUs and OFs to set up a vibrant ecosystem for spreading awareness regarding IP and IPRs, to spur creation of IP and institute a framework for protection of legal IP Rights wherever it is considered necessary by the organization after careful assessment of the commercial merits for a limited jurisdiction and time period vis-à-vis demerits associated with mandatory disclosures in public domain. It is envisaged that this policy will foster an enabling environment in all DPSUs and OFs, which incentivizes indigenous design, development and manufacturing of cutting-edge military systems and technologies and will act as a force multiplier in the thrust towards self-reliance in the defence sector.

**MINISTRY OF DEFENCE**  
**DEPARTMENT OF DEFENCE PRODUCTION**  
**INTELLECTUAL PROPERTY FACILITATION CELL (IPFC)**

**TEMPLATE OF INTELLECTUAL PROPERTY(IP) DISCLOSURE FORM**

1.	Title of the Innovation / Invention / IP	:			
2.	Name of the Organization / Unit /Dept	:			
3.	Details of Innovator(s) / Co-Innovator(s)	:			
	Innovators	(a)	Name	:	
			Designation	:	
			Contact Details	:	
		(b)	Name	:	
			Designation	:	
			Contact Details	:	
		(c)	Name	:	
			Designation	:	
			Contact Details	:	
	Co-innovators	(a)	Name	:	
			Designation	:	
			Contact Details	:	
		(b)	Name	:	
			Designation	:	
			Contact Details	:	
4.	Type of IP for which this disclosure is made (Patent / Copy Right / Design / Trademark)	:			
5.	Description of Innovation / Invention in brief (Attach separate sheet if required)	:			
6.	Does the IP pertain to a Process or Product	:			
7.	Date of Start of the Innovation / Invention	:			
8.	Date of completion of Innovation / Invention	:			
9.	Prior Art	:			
10.	Background of the Innovation / Invention	:			
11.	Is the Innovation / Invention validated and result of validation	:			
12.	Has the Innovation / Invention been displayed earlier (Where & when)	:			

-2-

13.	Funding Source	:	
14.	Benefit of Innovation / Invention if it is used	:	
15.	Is the work bound by any agreement / contract / MOU? Yes                      No If yes please give details.	:	
16.	Has any related IPRs been filed by the inventor earlier?	:	

[Attach Drawings, Photographs, Specifications etc. wherever applicable. Attach separate sheets where required]

Signature of Inventor(s) :

Date :

Signature of Co-Inventor(s) :

Date

Recommendations by Unit Head / HOD

17.	Security Classification of Innovation/ Invention (Unrestricted / Restricted / Confidential / Secret / Top Secret )	:	
18.	Recommended category (In-house IP or Patent Filing) with justification		
19.	Case Reference No. and Date		

Signature of HOD / Unit Head :

Date

**Note** : This is a broad template for indicative purpose only. Units may devise and adopt suitable forms, as per specific requirements.