FAKE PATENTS REAL MONEY

The Art of Making Money Out of Perception

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Prologue

In 2020, an Indian tech startup raised crores in funding to develop a product and build a patent portfolio. Its pitch deck proudly displayed the words *"Patent-Pending Virtual Reality System."* Investors applauded. Accelerators promoted them. An Indian non-governmental trade association also selected them for substantial financial and technical support, and they called themselves the "future of virtual reality in India".

There was just one problem: the patent didn't exist. Not legally, not technically, not even conceptually. It was a provisional draft maybe scribbled together the night before the pitch.

This is not a one-off story. It's a pattern.

Across India's booming startup ecosystem, **patents have become theatre props** - symbolic badges of "deep tech" used to unlock funding, fame, and credibility. Patent numbers appear in pitch decks like academic citations in research papers: few check them, but everyone is impressed by the numbers.

This book is not an attack on the Indian startup ecosystem or the patent system. It is a mirror held up

to the uncomfortable truths we've chosen to ignore in our rush to build a "Digital India."

There are founders who filed patents just to get media coverage. Incubators that encouraged students to file junk patents for the sake of government grants. VCs who invested in IP claims they didn't verify. And an entire innovation economy that celebrates the act of *filing* more than the value of *solving*. Patent agents or attorneys are simply increasing their numbers to be eligible for tenders and managing their billable hours based on quantity rather than quality of patents.

Meanwhile, real inventors - those quietly building high-impact technologies - are often drowned out by louder, flashier players with little to show beneath the surface. Many promising startups do not emerge easily from the dust like gold from coal mines. We need miners who get dirty to find the gold in innovation mines.

Behind every fake patent is **real money**. Real grants. Real investments. Real awards. And a real opportunity loss - because every rupee spent on a hollow promise is a rupee not spent on real progress.

This book serves as a wake-up call, a warning, and hopefully, a blueprint - not for dismantling India's innovation story, but for grounding it in truth to set a new stage for the beginning.

Let's begin.

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CHAPTER 1

The Innovation Mirage

In the heart of Bengaluru's startup corridor, an investor reviewed the business plan from a confident young founder pitching a breakthrough in agricultural technology. With dramatic flair, the founder spoke of "patented AI algorithms" that could predict crop diseases before they appeared. Impressed, the investor nodded. The term *"patent"* alone was enough to validate the technology, the team, and the deal.

The investment went through.

Six months later, the product was nowhere in sight, the patent hadn't moved past a provisional draft, and the startup had pivoted twice.

This isn't an isolated case. In India's startup ecosystem, patents are no longer just intellectual property - they're **intellectual performance**. They signal innovation, even when it doesn't exist. They

justify valuations, attract media attention, win grants, and, most dangerously, secure government investment and taxpayers' money. And yet, **most people who use the word "patent" don't really know what one is**. For them, it acts as a checklist to present to investors. Surprisingly, the majority of patents filed by the incubators claim cost savings to attract grants. Whether it's a blood clotting solution that costs 30% of the marketed product or an e-delivery platform, they assert low costs to secure grants without considering external market factors like distribution costs. Is it their fault? No. It is the ecosystem that forgets the experts that can validate these claims.

A Dangerous Shortcut

For decades, India's innovation ecosystem was held back by bureaucracy and a lack of capital available to a large network of people. In the past decade, things have changed dramatically. Government-backed incubators, angel networks, CSR-funded grants, and a vibrant startup culture have filled the system with opportunities. That's the good news, thanks to digitalization, which has made it easy to share information about policies and capital availability.

The bad news? **Filing a patent has become a checkbox, not a milestone.**

Many founders today believe the act of filing a patent is proof of innovation. It's not. Filing is just the beginning. Patents can take 3–7 years to get granted.

Many never make it past the examination stage. And provisional applications, where most startup "patents" begin, are not even technically enforceable. Yet, they are often cited in pitch decks as if they confer bulletproof exclusivity.

Conversations with numerous founders made us realize that they don't care about patents, even though they want to own them. They infringe on others' patents, lack innovation, but seek to file for their own by merely designing around terms in the claims that hold no real value.

This creates an illusion: an ecosystem that looks like it's innovating but often isn't. **It's a mirage.**

They know very well that investors want quick returns, and patents take time to get granted. By then, they may walk away.

No one has the patience, and this allows the **mirage** to play its role.

Fake Patents, Real Money

A startup raises ₹50 lakh on the strength of a patent claim. Another receives a ₹25 lakh government grant because it checked the "IP filed" box on an application form. A third wins an award for "patented innovation," even though the patent was rejected two years later.

In each case, real money changes hands.

In each case, genuine innovators - those without flashy decks or legal buzzwords - are pushed further down the line. A few genuine innovators among them lost their loved ones, who fought against all odds for true advancements. They wanted to contribute to society through innovation in the medical field, but large investors were pushing them to shift their manufacturing to China to reduce costs, risking a loss of control. Alternatively, companies with sufficient funds only want to hire them in exchange for their innovations as they can't become a unicorn soon.

The use of fake, weak, or exaggerated patent claims is not just dishonest. It's economically damaging. It **diverts resources away from real progress.** It **distorts investor decision-making.** It **erodes trust in the system.**

And yet, it continues, because very few people question it.

The Ecosystem Encourages It

Let's be brutally honest: the ecosystem is complicit.

- **Incubators** often reward the quantity of patent filings over quality, simply to show "output" to fund houses.
- **Media outlets** often glorify "patented innovations" without verifying whether those patents have actually been published or protect the claimed product.

- **Investors** rarely verify the legal status or technical merit of patent claims. Freedom to operate is hardly considered as a checkpoint in India before investment.
- **Startup competitions** allocate marks for "IP filed" encouraging students to draft provisional patents solely for the sake of points.
- **Attorneys** file to keep their bill book working, as this is their profession. More filings, more revenue, as they had to negotiate pricing per patent instead of developing a comprehensive Intellectual Property (IP) strategy.

In some cases, patent agents are even paid to churn out copy-paste filings based on internet research, just to create the illusion of novelty. With AI, the situation is likely to worsen as many stakeholders begin drafting patents using AI, with no clarity on business alignment with IP filing. This situation poses a risk not only to the Indian market but also to well-established markets, such as the United States, where patent filing, including the drafting of applications, is priced at USD 200.

The result is a culture where the word "patent" is tossed around like shiny confetti - abundant and largely ineffective.

The Credibility Crisis

India is striving to become a global innovation hub. However, if our startup success stories are founded on

dubious IP disguising hype, we're not building credibility, we're constructing sandcastles.

When international investors find that many "patented" Indian startups don't actually possess enforceable or novel IP, trust will deteriorate. The next startup will struggle because the previous one exaggerated. The entire country's reputation as a deep-tech destination becomes diluted.

Worse, we begin to believe our own hype. We confuse symbolic acts with real progress.

That's how ecosystems decay- from the inside, slowly, silently.

CHAPTER 2

Patent equals Innovation? Think Again

"Filing a patent doesn't prove innovation any more than a degree proves intelligence."

In popular imagination, a patent is a certificate of brilliance - the legal equivalent of a Nobel Prize for innovation. Founders boast about "patented technology" as if it guarantees success. Journalists echo the term as proof of originality. And investors find reassurance knowing that some form of intellectual property (IP) exists to protect their money.

But here's the truth**: a patent is not a proof of innovation**. Moreover, not all innovations are patentable.

Let's unpack the myth, because at the heart of the Indian startup IP crisis lies a deep misunderstanding

of what patents really are and, more importantly, what they are not.

What a Patent is *in Reality*

A patent is a **legal right** granted by the government that allows the inventor to exclude others from making, using, or selling an invention for a limited period, typically 20 years. But to get that right, one must meet three essential criteria:

1. **Novelty** – The invention must be **new** and unique.
2. **Inventive Step** – It must be **non-obvious** to someone skilled in the field. Here comes the validation of the inventor to be a genius, thinking beyond others' reach.
3. **Industrial Applicability** – It must be **practically useful** and reproducible. How an inventor becomes a founder by aligning invention or innovation with a business model.

If these conditions aren't met, **you can't get a valid patent**. Period. Unfortunately, in India, the majority never make it past the first step.

The Shortcut Culture

In pitch decks, websites, brochures, and even grant proposals, you'll often find phrases like:

- *"We have filed five patents."*
- *"Our technology is patent pending."*

- *"This is a patented AI model."*

But scratch the surface, and you'll discover:

- Only provisional applications were filed (which expire in 12 months if not followed up with a proper process).
- Many are rejected due to the lack of novelty or clarity.
- Third-party agency's filed patents with generic content, copied and pasted from the internet. We don't spare ourselves as we become inventors for our clients, who often don't know what they're doing differently.

In some shocking cases, startups **claim patent rights for tech they didn't even invent** - only to impress investors, win awards, or get promotions.

This is not innovation. It's intellectual fraud - and it's more common than anyone wants to admit.

The Mirror Test: Innovation Without Protection

Some of the most impactful Indian innovations never had patents.

- **Amul's supply chain model** revolutionized dairy in India - no patent.
- **Arvind Gupta's toys from trash** inspired generations of kids - no patent.

- **ISRO's low-cost Mars mission** stunned the world, and most of its breakthroughs weren't patented.

On the flip side, countless startups have secured patents but built nothing of actual value.

So, if you believe innovation = patent, you're not just misinformed - you're at risk of investing in, funding, or building a lie.

Why Everyone Wants a Patent Anyway

Let's be honest: a patent looks good.

- **For founders**, it adds weight to the story.
- **For colleges**, it brings in funding and rankings, thereby generating revenue through increased student admissions.
- **For investors**, it signals defensibility for safeguarding their money.
- **For government schemes**, it checks the "IP created" box to release the grant, based on credibility that the bureaucratic system fails to validate.
- **For Society,** to promote innovation by sharing the idea.

But a patent that's never examined, never granted, or never enforced is **just paperwork** - expensive, misleading paperwork.

When Patents Hurt Innovation

Here's the irony: An overemphasis on patents can actually hinder innovation.

- Students are told to file patents before validating ideas.
- Grant funding is tied to the number of filings, not real outcomes.
- Teams spend more time on IP formalities than on product-market fit.

We're teaching young innovators that the **act of filing** is more important than the **value of solving**.

We've created an ecosystem where the **optics of innovation** matter more than its **actual impact**.

Busting the Myths

Myth	Reality
"I filed a patent, so my idea is protected."	A filed patent is **not granted**. You can't enforce it yet.
"My startup is patent-backed."	Provisional ≠ enforceable. Often, it's not even novel when filed with a malafide intention.
"Having a patent makes us innovative."	Many bad ideas get patented. Many great ones don't need to.

Myth	Reality
"Investors love patents."	Smart investors love **validated, enforceable, valuable** IP - not noise.

The Real Question

Before chasing patents, every founder must ask:

"Is what I've built truly new? Is it non-obvious? Is it solving a real, validated problem?"

If the answer is no, then no patent can save you. If the answer is yes, a patent might help, but it's still just one small piece of your innovation journey, as you need to answer then:

"Am I using someone else's patented technology? Do I pay them their share if I get successful? How much is the risk to my business?"

CHAPTER 3

Patent Pending... Forever

"Patent pending - the perfect status when you want to look innovative but avoid responsibility."

Walk into any startup pitch event or read through incubator reports, and you'll find a phrase used with almost religious devotion:

"Our technology is patent pending."

It sounds powerful. Almost official. Like a seal of originality.
Except - in India, it often means **nothing at all**.

"Patent pending" has become the **magic phrase** of the startup world. It reassures investors, impresses judges at innovation contests, and meets the requirements on grant applications.

But behind this seemingly professional term lies a troubling truth:
Many of these so-called "pending patents" are **poorly**

drafted, never completed, often abandoned, and sometimes even fake.

What "Patent Pending" Really Means

Legally, "patent pending" means a **patent application has been filed** but not yet examined or granted.

That's it.

In India, the majority of the startups highlighting "patent pending" are referring to **provisional applications** - a placeholder that gives the applicant **12 months** to file a complete specification. If they fail to do so, the provisional is automatically **abandoned**.

Yet, many continue to use the term "patent pending" for **years**, sometimes without even filing a complete application. And believing nobody checks.

The Loophole Nobody Talks About

Here's why this works so well in India's current innovation environment:

- **Investors don't verify** the IP claims with thorough due diligence, as they do for financials. They assume "patent pending" equals legal protection.
- **Incubators don't cross-check** the filing status as they have others lined up.
- **Government schemes** treat a filing receipt as a green flag.

- **College innovation cells** reward students simply for submitting anything.
- **Finally, patent agents or attorneys** are receiving no compensation for doing these validations.

It's a system designed to reward activity, not authenticity.

All you need is a ₹1,600 provisional filing filed using AI or just a copy-paste and a confident pitch.

And just like that, the idea becomes "patent pending."

A Case Study

In 2025, a Tier-3 pharmacy college in India celebrated that a student "secured a patent" for a smart sanitation solution. The college issued a press release. Local newspapers covered the story. The startup won an innovation grant of ₹8 lakh.

When the grant agency did a routine check later, they discovered:

- The complete specification was **not yet published**.
- The patent was **not yet requested for examination.**

The startup still got the money. The college still got the publicity. The innovation? It never existed.

Why Startups Use the "Pending" Shield

There are three key reasons:

1. **Avoid Scrutiny**: "Pending" implies the idea is too new to question. No one can ask for proof.
2. **Create Urgency**: Investors fear missing out on a novel product - even if it's only half-baked.
3. **Claim Exclusivity Without Delivery**: You appear to have IP rights, but you're not bound by actual enforcement.

It's a **smart manipulation** of perception - but it's also a **time bomb**.

The Cost of Misuse

"Patent pending" hype may seem harmless. But it leads to:

- **Misallocated funds**: Real innovators lose access to grants and incubators.
- **Market distortion**: Mediocre ideas get funded based on false claims.
- **Legal grey zones**: Startups using the term without valid filings may be **misleading investors**, which could be grounds for legal action.
- **Long-term ecosystem damage**: When international partners realize Indian startups exaggerate IP, they start treating all claims with suspicion.

And then **nobody wins.**

How to Verify a Patent Claim: A note for Investors & Stakeholders who still struggle to understand IP

A few minutes of due diligence can prevent months of regret.

1. **Ask for the application number.**
2. **Search the Indian Patent Office database** (ipindia.gov.in).
3. **Check if it's a provisional or complete specification.**
4. **Check if it has been published or examined.**
5. **If any doubt, consult a patent professional.**

If a founder can't provide this information, they either don't understand IP or they're hiding something they don't want investors to know.

Let's Redefine "Pending"

If we want to clean up the Indian innovation landscape, we must stop treating "patent pending" as a golden badge.

Instead, we should start asking:

- *Has the invention been validated by users or customers?*
- *What is the product roadmap?*
- *How does the patented matter provide a competitive edge?*
- *Has the complete specification been filed?*

- *Is the patent-pending matter novel and non-obvious?*
- *Will the founder still be proud of this claim 3 years from now?*
- *What is the next patent in process?*
- *How many patents do they need to file for their technology?*
- *What is the IP strategy to protect the business interests of all the stakeholders?*
- *What are other IP protections sought?*
- *Who owns the IP, the company, or the individual?*
- *Is the IP protected in the event of a conflict with the founder*?

Let's stop rewarding **posturing** and start rewarding **proof**.

CHAPTER 4

The Patent Mill Problem

"A patent meant to shield creativity becomes meaningless when born from a system that mass-produces mediocrity."

When India crossed the milestone of filing over **80,000 patent applications in a single year**, it made headlines. Politicians called it a sign of a booming innovation economy. Universities celebrated their contributions. Incubators flaunted numbers to justify funding.

But behind the statistics lies a disturbing reality.

A significant portion of these patents are **of low quality, poorly drafted, and often never granted, making them largely useless.** They aren't protecting innovation. They're produced to win **rankings, recognition, and attract funds.**

Welcome to India's **Patent Mill Problem** - a system where institutions file patents not because they

should, but because they **must**. It mirrors the academic world's obsession with publishing research papers - not to push the boundaries of knowledge, but to meet promotion criteria, accreditation norms, or university rankings. In both cases, the system rewards volume over value. Just as academic circles confuse paper count with research depth, patent filings have become a numbers game - quantity over quality.

Is it good or bad?

It is fine to start with a promotional activity to encourage people to file patents without worrying about quality, but it should not become habitual. Focus on quality should begin as early as possible before it is too late. We don't have many examiners who can handle junk submissions. Otherwise, good ideas remain in the queue for a long time, which can demotivate inventors from filing patents because the examination process becomes inefficient. And we end up incentivizing noise, not progress.

How Colleges Became IP Factories

Over the past decade, the Indian government has aggressively promoted intellectual property. A good idea - in theory. But the implementation? Instead of cultivating a culture of innovation, it sparked a rush to file.

- **NIRF Rankings began including patent filings as a key metric, focusing solely on the**

number of filed patents rather than their quality or commercial value.

- **NAAC accreditation started rewarding intellectual property activity.**
- **Government grants, contracts, and startup schemes required patent evidence for eligibility.**

The result? Colleges started encouraging students and faculty to file patents to boost numbers. Even half-baked ideas and class projects were hurriedly filed. During an interview with a group of students from a Tier-2 engineering college, a discussion arose where several students proudly mentioned having a 'filed patent.' However, when we asked basic questions, such as what a patent actually is, who the applicant was, or how their patent would be used, they had no clear understanding or answers.

Now, companies have developed a business model where you can be an inventor by paying a few thousand rupees. For them, the inventor is just a name on paper, similar to what was in outsourced research papers.

The Quality Collapse

Let's examine what this race resulted in:

- **Provisional patents are filed without supporting research.**
- **Drafts are created by underpaid, non-technical agents using templates.**

- **Existing foreign patents are duplicated with minor edits.**
- **There's no follow-up filing, leading to automatic abandonment.**
- **There's no commercialization - no licensing, no revenue, no products.**

In some technical colleges, students are required to file a patent to pass their final year project, regardless of whether their idea has any real-world application. Here, the paid inventor tags are being purchased.

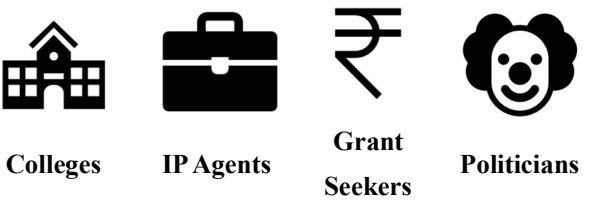
We've substituted 'invention' with 'incentive'.

As an example, one of our trainees, currently pursuing a master's degree at a Tier-2 engineering college, shared that their academic guide had instructed them to file a research paper and a patent - listing the guide as the primary author and applicant, as a prerequisite for approving their thesis.

If we look at the filing trends, a noticeable surge in patent applications from Indian academic institutions began post the introduction of the **National Institutional Ranking Framework (NIRF)**, where patents became an important metric under the **Research and Professional Practice (RP)** parameter. Until then, patent activity from universities was sporadic and largely limited to a few premier institutions. However, once patents started directly influencing national rankings, institutions across the country began to view patent filings as a strategic lever to boost their NIRF scores.

This shift led to an aggressive increase in patent applications, particularly provisional filings, often without due emphasis on quality, technical depth, or commercialization potential. Filing patents became more of a **numbers-driven exercise** aimed at optics rather than innovation. The focus turned to maximizing the count of filed and published patents to climb the rankings ladder, even if many of these filings lacked real-world applicability or market relevance. While this approach improved statistical output, it also sparked concerns about the growing disconnect between patent numbers and meaningful research impact.

Who is Benefiting from the Patent Mill?



Colleges file more patents for rankings, IP agents mass-produce drafts for revenue, grant seekers use filings for funding, and politicians showcase numbers as innovation proof. **In short, it's a supply chain built on optics, not impact.**

A Real-Life Example

In 2022, a Tier-2 engineering college proudly announced that its students filed over **700 patents in a year**.

Sounds impressive? On closer inspection:

- The majority were provisional applications.
- Many had identical or significantly overlapping content.
- Most were still awaiting examination.
- Few, if any, had been commercialized or licensed.
- The grant rate was less than 0.5%.

But the college received media coverage, a higher NIRF score, and several lakhs in grant funding. The students received certificates.

What's even more striking is that all the IITs combined filed fewer than 600 patents during the same year. Even individuals with sufficient funds have become patent mills by declaring publicly "**100 patents in 100 days**". And the patent office was flooded with more noise.

The Risk to Young Innovators

When institutions reward simply submitting work instead of critical thinking, students receive the wrong message.

- **"Innovation = paperwork."**
- **"Filing = success."**
- **"Questioning = delay."**

They learn to chase the patent, not the product. And when the real world demands validation, market fit, or actual novelty - they're unprepared. Ideally, they don't even know what problem they are solving. Everyone has one answer: that my solution is low cost compared to a brand.

Worse, many students waste time and money filing patents that will never benefit them or their startup. What we need to do is to focus their efforts. Help them target real problems. Emphasize the quality and innovation of the product rather than cutting costs. Develop a business plan if they are not working on basic research. Ideas will naturally start turning into patents.

The Policy Problem

India's innovation policy emphasizes metrics: number of filings, startups, and schemes. It's good to see these figures because they offer quantitative assessment, but can we shift the focus to the variable that we track?

But we never ask:

- How many patents were **commercialized**?
- How many became **real-world products**?

- How many have solved a global, **national, or local problem**?

Until those become the benchmarks, colleges, and incubators will keep acting like patent factories, not sources of innovation hubs.

Fixing the Patent Mill

Here's what needs to change:

1. **Decouple rankings from patent quantity.** Focus on quality, and commercialization.
2. **Train faculty and students** to understand what truly qualifies as patentable innovation.
3. **Involve domain experts** in evaluating whether an idea is worth filing.
4. **Introduce independent IP audits** for grant-linked patents and make auditors accountable.
5. **Incentivize outcomes**, such as licensing deals or validated user impact, instead of raw filing numbers.

Until then, the system will continue rewarding busywork over breakthroughs - celebrating patent counts while real innovations gather dust, trapped in a cycle where filing is valued more than solving.

Beyond the Mill

While some institutions fall into the trap of generating patents merely to boost numbers, the University of California (UC) demonstrates how a well-planned

patent strategy can create a tangible real-world impact. In 2023, UC researchers obtained 546 U.S. utility patents, maintaining their status as the top university worldwide for patents granted, a position they've held every year since 2013. This high volume of patenting is not an end in itself but a way to promote innovation and commercialization. In 2022, UC researchers disclosed 1,570 new inventions, averaging more than four innovations daily.

UC's dedication to turning research into market-ready solutions is clear in its support for startups and industry partnerships. In 2022 alone, 88 startups were launched based on UC inventions, and 238 inventions were licensed to companies, helping move discoveries from the lab to the market. Programs like Berkeley SkyDeck, a startup accelerator and incubator, further show UC's commitment to fostering entrepreneurship. Founded in 2012, SkyDeck has supported many startups, including notable alumni like Lime and Kiwi Campus, by providing funding, mentorship, and access to UC's extensive research resources.

This integrated approach sharply contrasts with the "patent mill" mentality, where quantity is prioritized over quality. UC's model proves that when patents are pursued with a clear focus on commercialization and societal benefit, they can become powerful tools for innovation, economic growth, and public good.

CHAPTER 5

The Patent Middlemen - Brokers of Fake Innovation

"In a system where innovation is currency, there will always be brokers minting counterfeits."

When you think of a patent being filed, you might imagine a determined innovator scribbling diagrams, defending novelty, and building something that will change the world.

But in India's growing patent landscape, a different kind of player is quietly shaping the numbers - **the patent middleman.**

Not Inventors. Just Brokers.

These are not scientists. Not entrepreneurs. Not technologists.

They are consultants, freelancers, agencies - some legitimate, many not - who've turned the patent

system into a **service economy.** They don't care what your idea is. They care if you can pay. Sometimes, after filing, they don't even care about their clients, as they have taken their money.

Do you want to file a patent to:

- Apply for a startup grant?
- Push your college's NIRF ranking?
- Get promoted as a professor?
- Attract an investor?

They have a "filing package" for every need. They also have the ideas for filing, where you can pay ₹ 2-10k for being an inventor. It may seem unusual, but this is a novel business idea for many.

The Innovation-as-a-Service Model

Here's how it typically works:

1. **The "Client"**: A university, startup, or NGO contacts a consultant for patent filing support.
2. **The "Idea"**: Anything is accepted, even if it's vague, unproven, or recycled.
3. **The "Draft"**: The consultant uses existing templates and past claims. A few words are adjusted, a diagram is added, and it becomes a "new invention."
4. **The Filing**: Filed as a provisional or complete specification.

5. **Outcome?** Doesn't matter. The goal was never to defend IP. It was to file.

Many such agents offer "combo packs":

- ₹15,000–₹20,000 for provisional only, sometimes lesser as shown in the snippet previously.
- ₹40,000–₹50,000 for provisional + complete + design patent add-on
- ₹1.2 lakh+ for PCT application "to go global" (even if it's a broken idea)
- ₹ 2-10k for being an inventor in a shared idea, the cost depends on the inventor's position in the list

Why Is This Booming?

India's innovation culture rewards quantity over quality. That's the simple truth.

- **NIRF** rankings award points based on the number of patents filed.
- **Startup India** considers a provisional filing a mark of innovation.
- **Academic** promotions require "IP generation."
- **State governments** provide funding to incubators based on the patents secured.
- **The government,** including the defense sector, incorporates patents as criteria in many tenders to validate uniqueness.

What happens when you measure outputs, not outcomes?

Middlemen rush in to manufacture those outputs.

Case Study: A University's Patent Sprint

Between 2020 and 2022, a tier-3 private engineering university in North India filed **over 500 patents.**

Upon investigation:

- Over 400 were drafted by a single consultancy firm.
- Many contained repetitive language, similar diagrams, and minor adjustments.
- Not a single patent was commercialized or licensed.

Still, the university:

- Received a ₹50 lakh "Innovation Grant".
- Marketed itself as an "IP powerhouse."

Reality check: It was a house of cards built on consultancy invoices; maybe the invoice value isn't much, so they ignored the quality. It was win-win for both parties.

How It Hurts Real Innovation

When the system is manipulated, real inventors suffer:

- **Noise Drowns the Signal**: Quality inventions get buried in a swamp of junk filings.
- **Reviewers Stop Trusting**: Investors, grant officers, and IP professionals become cynical.

- **Budget Diversion**: Government funds go to optics, not outcomes.
- **Public Trust Drops**: The word "patented" loses its significance when most files are either weak, fake, or abandoned.

Following the Money

It's not just about filing. Middlemen also monetize:

- **Workshops on "How to File 10 Patents in a Month"**
- **Online Courses on "IP for Funding"**
- **Bulk Filing Drives for Colleges**
- **Pitch Deck Optimization Services:** "Add a patent, raise your valuation."

It's a new service industry - one that thrives on ignorance and incentives.

Are They Illegal?

Not always. That's what makes it worse.

- Filing a weak or copied patent isn't criminal - unless it involves wilful deception or fraud.
- Many consultants are **registered patent agents**, operating within the law.
- The clients are **complicit**, seeking shortcuts and headlines.

It's not a crime ring. It's a **grey economy** - and it's growing.

The Need for IP Literacy

India doesn't just need inventors. It needs **informed stakeholders** who:

- Understand what a good patent looks like.
- Question the quality behind the quantity.
- Hold institutions and consultants accountable.
- Promote **utility and enforceability** over vanity metrics.

Until then, the patent middlemen will keep winning - filing patents **for the sake of filing**, and getting paid in the process.

CHAPTER 6

Wellness Wrapped in Patents - From Immunity Boosters to AYUSH Scams

"A patent stamp on a wellness product doesn't guarantee science - only a clever marketing pitch."

Imagine walking into a pharmacy or watching a late-night TV commercial that says: **"Clinically proven. Patented formula. Boosts immunity 3X faster!"**

Sounds impressive. Scientific. Safe.

But peel back the layers, and you'll discover a darker truth: **some of these products are protected not by real science, but by real-sounding fake patents that are filed based on traditional knowledge that is not backed by any research.**

The Rise of Patent-Backed Wellness Products

India's wellness and Ayurveda industry is booming. With increasing health awareness, yoga culture, and push from the Ministry of AYUSH, a parallel industry has emerged - one that mixes **ancient ingredients with modern marketing.**

These products don't just say "natural." They say:

- **"Patented formula"**
- **"Approved by scientists"**
- **"Backed by international filing"**

It's the new gold standard of marketing, where a patent number becomes a **seal of legitimacy**, even if the patent protects no real value.

What These Patents Actually Cover

Let's decode what a typical patent in this space might protect:

- A known herb (like giloy, ashwagandha, turmeric) combined with a fruit extract.
- A manufacturing process already described in old traditional texts.
- Minor alterations in dosage or form (tablet, capsule, spray)

It's a sleight of hand: They're not protecting a new drug most of the time. They're patenting **how they packaged** a known concept.

Worse, some of these patents aren't even granted - they're just **"patent pending"** - but they are still used on labels, ads, and investor decks.

Real Examples, Real Deception

- A startup claimed **"India's first patented herbal sanitizer"** - but the patent was merely for a container design.
- Another company selling "immunity booster drops" claimed an **international PCT filing**. Upon checking, the filing was abandoned two years ago.
- An Ayurvedic clinic promoted their treatment as **"patented therapy"** - the only filing found was for a **yoga mat design**.

Why It Works on Consumers

Most buyers equate "patented" with:

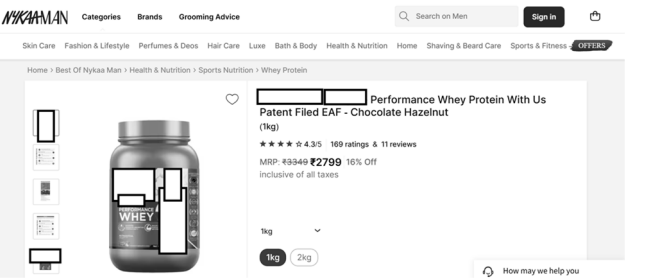
- Clinical trials
- Approval by drug regulators
- Innovation similar to pharma products

They don't realize:

- A patent **does not** mean it works. It does not imply approval by **DCGI, FSSAI, or ICMR**.
- It does not mean that the product reflects the effectiveness claimed in the patent.

- It may not even be a valid patent - just a filed one.

This loophole allows for situations that are **legally acceptable but morally doubtful** marketing.



The AYUSH Factor

The Ministry of AYUSH (Ayurveda, Yoga, Unani, Siddha, and Homeopathy) has promoted traditional systems of medicine in India and globally.

But the problem?

- Regulatory checks are **weaker** than those for mainstream pharmaceuticals.
- The ministry **encourages IP filings**, sometimes without validating the science.
- Some institutions **push for patent filings just to claim funding** or attract recognition.

This means even half-baked herbal mixtures can:

- Be filed as "innovative Ayurvedic formulations."
- Get showcased in government exhibitions.

- Claim funding or international interest.

Monetizing the Illusion

Here's how fake patents convert into **real money** in the wellness space:

- **Investor Attraction**: Startups claim patent protection to look like biotech or pharmaceutical companies.
- **Exports**: Adding a patent label boosts credibility in global markets as the majority of people don't know how to validate these patents.
- **Premium Pricing**: Consumers are willing to pay more for "proven innovation."
- **Franchise Licensing**: Clinics license their "patented method" to franchisees, even if it's never been examined.

Regulatory Vacuum

Who's checking?

- **Patent Office** doesn't assess product safety or marketing use with few exceptions. Also, the repository of traditional knowledge is partially maintained, but still has some gaps.
- **FSSAI/DCGI** often don't get involved unless there's a medical claim.
- **Ministry of AYUSH** supports filings but rarely investigates misuse.

- **Consumers** have no simple way to verify patent claims against traditional knowledge. Most importantly, many products share the same composition, which consumers are unaware of. There is no concept of generic products in this market segment.

The Public Risk

This isn't just an economic issue anymore - it's a **public health concern**.

- People may skip proven treatments in favor of "patented herbal cures."
- Parents may buy untested immunity drops for children, trusting the patent label.
- Consumers may waste money on supplements that don't deliver results.

It's a **wellness theatre** - backed by fake patents, dressed in science, and sold with confidence.

What Needs to Change

- **Clear Labelling Guidelines**: A product should not claim "patented" unless it's granted, and the patent number must be verifiable. Also, the product from the distributor shelf shall be randomly selected for testing. Independent entities shall be established to validate the claims of the products.
- **Regulator Involvement**: AYUSH, FSSAI, and the Patent Office need to share databases and

prevent misuse. The database should be easily accessible while providing the identifier on the product.

- **Establishing a Stringent Clinical Validation Program:** Scientific evidence for the new formulation, along with raw material dependencies, must be made mandatory. Any new drug launch using similar raw material shall provide scientific evidence of increased efficacy, and any additional claims made by the manufacturer. We as a consultant encourage our clients to provide the validation of their claims before filing the complete specification and recommend strictly not to use "patent pending" on the product.
- **Consumer Education**: Just like we now question "clinically tested" labels, we must teach people to **question patent claims**.

CHAPTER 7

Seal of Approval - For a Price

"It's not about what you invented. It's about who you know - and what you're willing to pay."

In an ideal world, patents are granted based on merit, novelty, and utility. In the real world, sometimes they're granted for a few thousand rupees, slipped discreetly under the table or through their network.

Welcome to the hidden economy of India's intellectual property system: **bribes, backdoors, and patent agents who double as middlemen.** Prima facie, it seems like a challenge to the credibility of government office, but there is "no smoke without fire".

Cases That Shook the Office

In 2018, a serious allegation emerged from the Chennai branch of the Indian Patent Office. An inventor accused a senior official of demanding a bribe of ₹10 lakh to approve his patent application for

a decorative plaster mould. The inventor claimed to have paid ₹3 lakh initially, after which the patent was granted. However, when he refused to pay the remaining amount, the patent was suddenly revoked.

The Central Bureau of Investigation (CBI) filed a First Information Report (FIR), and the Madras High Court upheld its validity, stressing that such matters warranted a full investigation.

This case brought to light a stark reality: **for some, a patent may be less about invention and more about influence**. When a "seal of approval" can be purchased, it raises troubling questions about how many patents in the system are genuine, and how many are simply the result of transactional approvals.

In 2024, additional allegations surfaced, including complaints submitted to the Chief Vigilance Commissioner (CVC) alleging corruption within the Indian Patent Office and raising concerns about the integrity of patent grants. More recently, in May 2025, the Patent Officers Association filed a petition with the Supreme Court, calling for an investigation into suspected intellectual property data leaks and potential breaches of the Prevention of Corruption Act.

Over the two years before 2024, the CGPDTM has reportedly engaged hundreds of contractual employees who issued quasi-judicial orders granting patents and trademarks to various entities. However, the Calcutta High Court has deemed these orders

'legally unenforceable,' citing violations of the Trademarks Act, 1999 - a position that has also been supported by the Law Ministry.

Sir, They Asked for ₹35,000

A few months ago, a startup founder we had been advising called us in a state of distress. Their patent application, filed through a Gujarat-based patent agent, had finally reached the examination stage at the Delhi Patent Office. Everything seemed on track, until the agent quietly relayed a message from the examiner: "*₹35,000 and we can make sure the patent goes through smoothly.*"

The founder, stunned and unsure, turned to us for guidance. We were equally appalled, not just by the audacity of the demand, but by how normalized such backchannel expectations have become in some corners of the system. We suggested not to give in and helped them draft a strong technical response to escalate the matter. What disturbed us most wasn't just the bribe, but how easily it was framed as standard procedure.

These are just example cases that are highlighted, but many others are either not shared here or have never been revealed. We once had an experience where a prospect asked us to provide a guaranteed grant, just like other agents had confirmed to them. We didn't trust those people because we didn't know who these agents were, but now it seems to be true. We just

decided to lose one customer rather than make any commitments that are not under our control.

The Power of an Examiner

Patent examiners hold immense power. With a stroke of their pen (or keyboard), they can:

- Grant or reject an application.
- Raise objections that delay a filing for years.
- Demand extensive clarifications - or none at all.
- Influence whether an invention is seen as 'innovative' or 'already known.'

But what happens when this power is quietly commercialized or misused?

Bribes: The Open Secret Nobody Talks About

In confidential interviews, inventors and agents reveal a pattern:

- "You pay ₹20,000–₹50,000 - no objections."
- "Your file is picked up early - sometimes even before older ones."
- "Soft objections are raised - just enough to look legitimate, but easy to reply to."

It's not always blatant. There are layers:

- Some examiners give hints, nudging applicants toward "friendly" agents.

- Others issue **deliberately weak objections**, ensuring quick replies and a clean grant.
- Some law firms charge "processing fees" that include unofficial payments, which are never documented.

The Role of Patent Agents as Middlemen

This network often runs through agents. Here's how the cycle unfolds:

1. **The inventor hires an agent** to file a patent.
2. The agent promises "fast-track grant" or "100% guaranteed patent".
3. Behind the scenes, the agent **negotiates with an examiner** (directly or indirectly).
4. The examiner flags the file for early review and skips tougher objections.
5. A patent is granted, not because it's valid, but because it was "managed."

The client is happy. The agent is paid. The examiner benefits.

The system is flawed.

Real Costs: Who Loses?

- **Genuine innovators**, who refuse to bribe, are stuck in years of unnecessary objections.

- **Startups**, relying on weakly granted patents, raise funds on hollow foundations. Hence, declining trust in the start-up ecosystem.
- **Foreign investors**, wary of systemic corruption, remain sceptical of Indian filings. Moreover, doubtful about the investment in India.
- **The public**, whose tax money is used to fund fake innovations through subsidies and grants.

Bribery doesn't just corrupt an office - it corrupts the very meaning of innovation.

Fiction or Fact? Hypothetical Example

Let's consider two inventors.

- **Inventor A** develops a genuine agricultural innovation and files a patent honestly.
- **Inventor B** copies a known device, changes its title, and uses a patent agent who "knows people."

Result?

- A's application got stuck in the examination for 3 years.
- B's patent is granted in 1 year, with no substantive changes or rejections.

A miss out on investment opportunities. **B** gets media coverage and even a state-level award.

Now imagine this playing out **hundreds of times** every year.

Why Does This Happen and What Are Probable Solutions?

- **Low salaries** and high pressure on examiners. Many examiners do a great job, but they often do not receive recognition for their work. KPIs to be modified. We feel happy when an examiner asks us questions about business visibility or the technical effect of hearing, rather than just trusting what we are saying. In the recent July 2025 hearing, the examiner conducted an additional search and asked us questions to clarify the purpose of the invention and its technical aspects in light of the additional search he conducted after the first hearing. It was a challenge to the inventor, but it adds value to the system. It was indeed valuable.
- **No independent oversight** of how and why patents are granted. Who is responsible for verifying the quality of the examiner's work? Do we have an appraisal or reward system based on work quality? What are the benchmarks used to measure quality? Should we step back from focusing solely on numbers and reset the system now at an early stage before it becomes more complicated with higher filings?
- **Quotas**: Examiners must dispose of hundreds of applications - speed over scrutiny. New KPIs

shall be introduced along with the hiring of new examiners.

- **Lack of deterrents**: Bribery is hard to trace, and whistleblowers risk their careers. There is a need for an alternative system to help gather evidence of such corrupt practices. Recording the hearing between the examiner and the agent is a positive step, and further use of AI analysis on the recording can assist in identifying these red flags. Implementing technology would be beneficial if done with good intent.

And because the Indian patent database is opaque, it's nearly impossible for an outsider to detect a manipulated grant. For example, the grant rate of some law firms and patent agents by a specific examiner should be examined to explore trends. A bad patent granted in good faith is better than a good patent obtained through corrupt practices. It is our duty as patent agents, examiners, or inventors to maintain trust in the system to support innovation, especially genuine innovation.

Silencing the Gatekeepers

Until recently, India's patent system had a key safeguard: the **pre-grant opposition** process. This allowed any third party - including researchers, activists, competitors, and public health advocates - to challenge a patent application **before it was granted**, often at no cost. It acted as a check against vague, overly broad, or even fake patent claims. However, in

a controversial regulatory change in 2024, this mechanism was burdened with a **"dynamic" fee structure**, transforming what was once an open, participatory process into a costly, gated affair. For grassroots entrepreneurs, civil society groups, and smaller entities, this fee is more than a hurdle - it's a deterrent. When fewer people can afford to raise valid objections, more low-quality patents are approved, favoring patent mills and paper-pushers over genuine innovators. In the pursuit of efficiency or revenue, the system ends up protecting poor-quality patents and harming the very people it was meant to support. Ideally, there should be incentives for such individuals, as they can help ease the burden on the patent office.

What Can Be Done?

1. More Transparency in Digital Trails: Every examiner's action should be logged and accessible for audit.

2. Peer Review of Examinations: Before a grant, another examiner or panel should cross-verify.

3. Mandatory Examiner Rotation: Avoid familiarity between specific agents and examiners.

4. Whistleblower Rewards and Protection: Encourage honest employees to speak up, and protect them.

5. Public Grievance Portals: Allow inventors and agents to report unethical offers or pressures to an independent authority anonymously.

6. Technology Implementation: Examining the discussion between the examiner and agents by using AI to identify the red flags. The process should be managed by another independent authority.

CHAPTER 8

Patented But Not Productized - Where Are the Real Outcomes?

"Patented innovations so secret, even the market hasn't seen them yet."

India files over 80,000 patents a year - but how many turn into real, working products? Every year, headlines boast of India's rising patent numbers. **But scratch beneath the surface, and a question looms large:**

Where are the products? Where are the startups scaling those inventions? Where are the consumers benefiting?

This chapter explores the massive disconnect between **patents filed** and **products delivered**, and why a patent filing or grant is often the end, not the beginning, of the innovation journey.

The Patent Boom - On Paper Only

Over the past decade, India has aggressively pushed to improve its global patent ranking:

- Special schemes for startups and MSMEs
- Reduced fees for academic institutions
- Faster examination for women inventors and government projects

But look at the outcomes:

- How many of the Indian patents are ever **commercialized** in comparison to other countries?
- How many of these expire due to **non-payment of renewal fees?**
- How many patents do startups hold to cover their competitive edge?
- How many of the patent holders are able to assert these assets against their competitors?
- Are patent agents encouraging their clients to conduct a Freedom to Operate analysis before launching a product and suggesting in-licensing if there are any potential infringements?
- How many assets can be used to take loans?

Patents ≠ Products

Patents are negative rights that prevent competitors from copying the patent holder. Therefore, an IP

strategy should focus on protecting the competitive advantage rather than merely filing patents for everything. It is also important to understand what already exists and how much overlap we have with existing filed patents. Are we truly free to file a patent or launch a product? Has anyone, having patents, launched a product? Due diligence is essential for clarifying risks and increasing the chance of protecting one's competitive edge.

Let's dispel a common myth: Having a patent doesn't mean a product exists, and vice versa. A product can be protected by a combination of patents, trademarks, designs, trade dress, know-how, contracts, or marketing strategies.

It just means someone claimed an idea, and the patent office approved it.

In many cases:

- No prototype exists.
- No scalability has been tested.
- No market needs have been validated.
- No manufacturing or deployment plan has ever been made.

Result: An IP certificate that sits on a shelf - or worse, is used for showboating.

The Academia Trap

Colleges file hundreds of patents yearly. But:

- Most are written by students with minimal supervision.
- Faculty push filings to improve *NAAC/NIRF rankings.*
- Few institutions have tech transfer offices or incubation capacity.

This leads to:

- Patents on ideas that can't pass basic engineering checks.
- No follow-up once the paper is filed.
- Zero commercialization, year after year.

Case in point: A university files 50 patents in one year, and not one is licensed or built upon in the next three.

Misaligned Incentives

Why file for the products if you won't build?

Because in India, **a patent is a grant magnet**:

- Startup India prefers startups that hold patents.
- Government grants and tenders often require patent documentation.
- Investors feel reassured by the word "patented" - even if they don't verify it.

This leads to:

- **Fake traction:** Patents shown as evidence of progress.

- **Bad faith actors**: Using one-time filings to access recurring public funds.
- **Investor misdirection:** Focusing on IP quantity, not quality.

Structural Barriers to Productization

Even genuine innovators face massive hurdles:

1. **Lack or Misutilization of Product Development Funds**: Few schemes support post-patent prototype building, or the funds get used on non-valuable ideas or fake patents.
2. **No Industry-Academia Linkages**: Many inventions fail to attract buyers or users because companies either don't believe in FTO or are unwilling to invest in intangible assets. Relaxing restrictions on independent inventors, while reading the claim assertion against companies, or establishing an independent welfare authority that is less bureaucratic, with clear and explicit goals of licensing or wilful infringement, can facilitate IP monetization.
3. **Weak Tech Transfer Ecosystem**: Unlike the US or EU, India lacks experienced tech licensing teams or valuation experts.
4. **Fear of Infringement Disputes**: Ironically, even with patents, startups fear legal action from better-funded rivals who have strong balance sheets. Few people like "Robert Kearns" have the courage to go against industry giants.

Filed and Forgotten: Common Examples

- **Sensor-based smart irrigation system**: Filed by dozens of colleges, few reach farmers.
- **Voice-activated home devices**: Claimed by startups - none have built functional models.
- **Blockchain-based traceability for supply chains**: Patents filed - products abandoned after seed round.

Accountability Delayed Is Innovation Denied

One of the key tools in assessing whether patents are leading to actual products is **Form 27** - a mandatory disclosure where patentees report whether their invention is being worked commercially in India. Until recently, this had to be filed **annually**, providing a mechanism for public scrutiny and aiding government decisions around **compulsory licensing**. However, a controversial 2024 amendment to the Indian Patent Rules has now **extended this reporting interval to once every three fiscal years**.

Few people believe that while this may reduce compliance burdens for large patent holders, it significantly decreases transparency about whether patents are actively used or merely held for speculation or strategic purposes. The lack of timely reporting enables evergreening, which blocks innovation and results in the hoarding of intellectual assets without societal or industrial benefits. This issue is even more critical in sectors like

pharmaceuticals, where public health outcomes depend directly on the commercialization of patented drugs.

Contrary opinions argue that the system creates an administrative burden for innovators, as they must manage larger portfolios, and such burdens are unnecessary since some inventions take years to develop into actual products.

This situation exemplifies the need to balance two variables through fine-tuning based on specific requirements. It is akin to a gain-bandwidth product, where the gain-bandwidth product (GBWP) of an amplifier is a key parameter linking an amplifier's gain and bandwidth. For voltage feedback operational amplifiers (op-amps), it remains a constant, illustrating the trade-off between gain and bandwidth. The question then becomes whether to focus on one issue, such as administrative burdens or clarity in patent commercialization, or to handle both at once by increasing the GBWP, thereby allowing progress on both fronts.

Here, a balance must be struck between supporting open innovation and restricting meritless patenting. Open innovation encourages independent inventors and small companies to develop technologies and license them to larger firms with market access, as some technologies require significant capital, market reach, or distribution channels that these inventors lack. It also enables larger corporations to acquire

technologies they cannot develop internally. Furthermore, large firms can license their technology to other non-competing industries to generate additional revenue. In these cases, some entities do not manufacture products but contribute to innovation and society through licensing, patents, or other agreements. In the US, NPEs have funded inventors or created a new business model of asserting patents to generate cash flows. Thus, it is important to consider this licensing aspect and incorporate it into Form 27 or another mechanism. Innovators should be allowed to declare that their patents are available for licensing, making the asset known to all. Interested companies can request licensing, and the case can then be transferred to an independent expert evaluator who assesses the value of the assets and recommends licensing arrangements. Until that point, the potential licensee's information should remain confidential to prevent leverage or unethical negotiations.

When Patents Masquerade as Progress - The Theranos Illusion

Perhaps the most glaring global example of how patents can exist in abundance without any real product is the rise and fall of **Theranos**, the Silicon Valley startup that promised to revolutionize blood testing.

Founded by **Elizabeth Holmes** in 2003, Theranos filed more than **200 patents** and used them to project an

image of deep technological innovation. These patents were cited in pitch decks, media stories, and even federal briefings - painting a picture of a company with solid intellectual property and a disruptive product.

But there was one problem: the product **never worked**.

Despite having raised over **$700 million in investor funding** and reaching a peak valuation of **$9 billion**, Theranos had no viable, validated technology behind its patents. The patents described futuristic methods of micro-sample blood testing, but **none of the promised results could be replicated** in practice. Investigative journalists and whistleblowers later revealed that the company was **using standard commercial lab machines** behind the scenes while claiming to use its proprietary Edison device.

So, how did the patent system enable this illusion?

The patent filings - often written in vague and broad technical terms - gave the company **credibility on paper**. The mere existence of patents was interpreted by investors, media, and even regulators as **proof of innovation**. But patent examiners do not test or validate a working prototype. As long as the invention appears novel and non-obvious on paper, it may be granted, even if the actual science is unverified or implausible.

This disconnect between **patented ideas** and **productized reality** is central to the problem this chapter explores. It's not just that fake or weak patents exist - it's that they are increasingly **used to raise money, attract attention, and shape public narratives**, regardless of their real-world feasibility.

Theranos, once celebrated as a breakthrough biotech unicorn, is now a cautionary tale. Elizabeth Holmes was convicted of **multiple counts of fraud**, and the company shut down. But the system that enabled this - where patents serve as financial instruments more than innovation tools - remains largely unchanged.

If the US patent system, known for its relative sophistication and scrutiny, could be gamed this way, one must ask: **What protections exist in patent systems with fewer resources and oversight - like India's?**

What Needs to Change

1. Outcome-Based Patent Evaluation: Reward patents that are licensed, marketed, or produced - not just filed.

2. Public Dashboards on Commercialization: Make it mandatory for institutions/startups to update status annually as built / not built / licensed.

3. Post-Patent Support: Funds for product design, trials, and user testing - not just IP filing.

4. Industry Review Panels: Encourage industry experts to evaluate patent filings before grants or awards are given.

The Bigger Picture

A nation's true innovation capability is not measured by the number of patents filed - but by how many of those patents translate to usable, scalable, and real-world products. Moreover, it is determined by the number of foundational technologies we produced.

Until India closes this gap, the country may continue to appear "innovative" on paper - while struggling to move the needle in the global innovation economy. Let us aim for at least one of the top 10 spots for innovation globally in the next decade.

CHAPTER 9

Patents for Sale – The Rise of IP Speculation Platforms

"You don't need to build the product.
Just buy a slice of the idea."

Once upon a time, patents were the outcome of deep research and development - born in labs, nurtured by inventors, and protected to encourage real-world progress. They were legal instruments to safeguard groundbreaking ideas that had been carefully tested, iterated upon, and translated into working technology.

Today, however, the landscape has undergone a dramatic shift. Patents are increasingly treated not as a means to protect innovation, but as tradable assets- sold like stocks, hyped like NFTs, or pitched like the next crypto token. This is the new frontier: **IP speculation platforms**, where you don't need a lab, a

prototype, or even a working idea-just a registered application and the right marketing language.

In these marketplaces, anyone with disposable income but zero technical background can invest in a "promising" patent, lured by the hope of passive returns.

We need to clearly distinguish between a patent filed by a technologist for licensing due to a lack of capital to commercialize or the unavailability of distribution channels, and a patent filed by anyone simply to raise money with false promises.

Here, we are concerned about the latter.

The Idea vs. The Asset

In theory, the concept of **patent monetization** has merit. When executed with integrity, it enables:

- Inventors who need to raise funding and support.
- Backers to earn fair returns for taking early risks.
- Innovations to move from paper to production.

But this ideal is often far from reality.

In practice, many platforms now operate on a model where:

- **"Trendy" patents** are aggressively promoted, regardless of feasibility.

- Users can **fractionally invest** in pending patents (not yet granted).
- Marketing highlights **"future royalty income,"** downplaying risks, timelines, and technical uncertainties.

And the most worrying part? **Many of these platforms don't care whether the invention is even viable.** As long as the IP paperwork exists and can be hyped, it's good enough for them. Many of these platforms are simply creating a wrapper with AI to produce a pitchbook for every idea that doesn't match reality. Here, many struggle with prompt engineering because they ask AI to tell what is good, not what is real.

Rise of Patent Investment Platforms

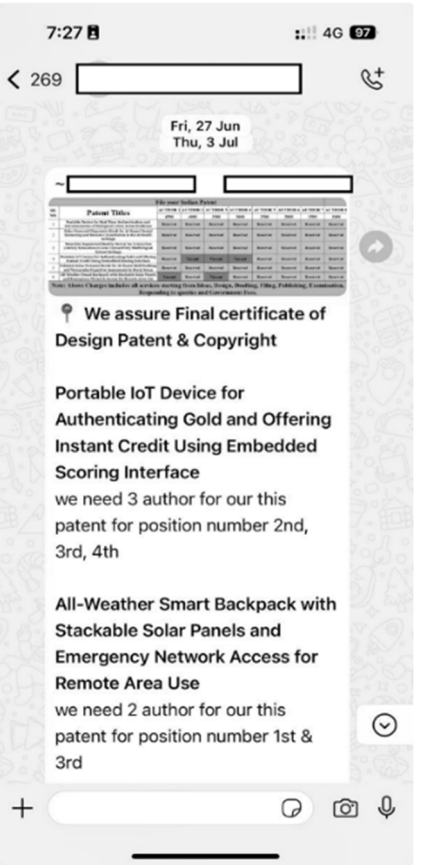
Globally, and now in India too, numerous platforms have emerged where users can:

- Browse portfolios of filed (often pending) patents.
- Invest small sums (₹1,000 to ₹10,000) as "micro backers."
- Hope to earn a share if the patent gets sold, licensed, or litigated later.

These platforms take various forms:

- IP-backed **crowdfunding websites.**
- **Blockchain-tokenized models,** claiming transparency and fractional ownership.

- Exchanges *(like WhatsApp snippet shown below)* where "high potential" IP is marketed like real estate.



The promise is seductive:

"You could own 0.5% of the next unicorn's core patent."

But here's what's often **not disclosed**:

- How many of these patents are ever commercialized?
- Is the patent valid? Is it even granted yet?
- Does the inventor intend to build anything at all?

The Hidden Dangers

1. Fake or Useless Patents Gaining Value

A patent with vague or overbroad claims might:

- Have no practical utility.
- Easy to challenge or invalidate.
- Offer no real technological contribution.

Yet, it could still attract investor money. Why? Because the platform sells the "idea" using marketing jargon, not based on technical depth. Anyway, based on the demand in India, scientists are paid less than a comedian, an actor in the entertainment industry, a YouTuber posting vulgar comments, or a marketer.

2. No Product, Just Paper

Often, these patents are:

- Filed without a prototype.
- Unsupported by any licensing or manufacturing interest.
- Purely speculative in nature.

Still, investors put money in, expecting a lucky exit. This transforms innovation from a **build-first** mindset into a **bet-first** marketplace, where ideas are valued more for their storytelling than their substance.

3. Retail Investors Are Misled

Most individual investors:

- Never read or understand the actual patent claims.
- Don't grasp legal aspects like prior art, scope, or enforceability.
- Don't understand the infringement risk as they don't believe that a patent is a negative right, not a positive one, and one patent cannot protect the complete product.
- Rely entirely on oversimplified platform descriptions like: "This AI-powered healthcare patent could revolutionize early diagnosis of cancer."

As highlighted earlier, behind the buzzwords:

- The patent may never get granted.
- It could lack novelty or infringe existing technologies.
- It might never have a real-world application.

4. Encouragement of Patent Mills

When platforms reward **quantity over quality**, the system invites abuse:

- Inventors file flashy but shallow patents.
- Shell firms collect IP just to raise funds, never to build anything.
- It becomes a game of "file and flip" rather than "design and deliver."

A Dangerous Feedback Loop

This cycle is self-reinforcing:

1. Inventors file weak but exciting-looking patents.
2. Platforms tokenize or market these to retail investors.
3. Money flows in based on hype, not on utility.
4. In many cases, no product is ever built, yet funds are raised.
5. Platforms showcase the raised money as a **success metric**, not actual impact on society.

As a result, fake innovation is rewarded. Meanwhile, honest inventors who genuinely want to develop deep tech get ignored or sidelined.

Regulatory Blind Spots

Currently, most countries, including India, lack:

- A licensing regime for IP investment platforms.
- Guidelines for technical due diligence.
- Investor protections specific to IP-based investing.

This leaves a wide grey zone that's ripe for misuse:

- Unchecked marketing tactics.
- No requirement to prove the viability of patented tech.
- No penalties for wilful misrepresentation.

Red Flags to Watch For

If you come across a patent investment opportunity, watch for:

- Guaranteed returns or exaggerated claims.
- No discussion of technical feasibility.
- Emphasis on "market potential," but not execution.
- Shell firms with no inventor track record.
- Overuse of trending buzzwords like "metaverse," "quantum," or "blockchain" without actual technical merit.

Remember, a patent begins with a problem that leads to a solution, creating a technical effect to address the problem.

The Way Forward

1. Mandate Technical Validation

Before promoting a patent to investors, platforms should verify:

- If the claimed invention solves a real-world problem.
- Whether it's practically implementable.
- If it's novel, granted, and legally enforceable.

2. Investor Education

It's critical to raise awareness that:

- **Patent ≠ Product**
- **Pending ≠ Approved**
- **Broad claims ≠ Useful claims**

Retail investors must learn to distinguish between hype and substance.

3. Establish Government Oversight

Just like SEBI regulates stock markets, India needs a specialized body to:

- License and audit IP speculation platforms.
- Monitor for misleading promotions.
- Protect uninformed investors.

When patents stop being tools to protect innovation and instead become assets traded on hope, we risk losing the very purpose of intellectual property.

Speculation platforms that offer equity in untested ideas, without demanding any product development, dilute the meaning of invention. They may raise money, but they rarely raise standards.

In the long term, this behavior not only wastes capital but also corrodes trust in the entire innovation ecosystem.

Let's not reduce patents to lottery tickets. Let's protect their value by focusing on what really matters, building.

CHAPTER 10

Who Loses When Fake Patents Win?

"Every fake success stories bury the real ones that never got a chance."

In a system where fake patents are rewarded - whether through speculative investments, inflated licensing, or just PR value - someone always loses. But unlike the flashy stories of patent millionaires, the victims of fake innovation rarely hit the headlines.

This chapter pulls back the curtain to show who bears the real cost of a broken patent ecosystem - and why it matters more than we think.

1. The Genuine Inventor

Imagine a robotics engineer who spent three years developing a novel limb-rehabilitation device.

She:

- Prototyped the solution.
- Filed a quality patent.
- Approached investors.

But instead of recognition, she faced rejection. Why?

Because:

- A fake patent with vague claims on "AI in rehab" has already flooded the system.
- Investors were seduced by the "flashier" (but hollow) pitch.
- Her real work was dismissed as "already patented."

Real innovation lost to a fake headline. First-to-file killed first-to-invent.

2. The Misled Investor

Platforms selling patent shares or "royalty tokens" attract small investors - students, retirees, and professionals. They're told:

- "Buy a stake in innovation."
- "Secure your future with tech IP."
- "The next Google patent could be in your portfolio."
- "Become an inventor by paying INR 2000-10000, depending on the number of inventors involved in filing the new patent. The amazing fact that no one is a true inventor."

But in reality:

- Most patents are barely reviewed for quality.
- Legal battles often kill any chance of monetization.
- Inventors walk away with raised capital; investors are left holding worthless shares.
- Patents are a liability for investors until they are commercialized, whereas they are an asset for the person who lured investors to invest money based on weak or fake patent claims. Make sure to add it to the correct side of the balance sheet.

The dream of easy tech wealth becomes a trap.

3. The Startup Ecosystem

When fake patents get protection or publicity:

- **Startups are forced to license or avoid certain tech.**
- **Funding shifts to style over substance.**
- **Legal costs skyrocket due to vague, aggressive IP.**

This creates a chilling effect:

Startups often stop innovating in "risky" spaces - even when they could do it better. Ideally, they should navigate these challenges with the help of an expert who doesn't just file patents but guides startups past unnecessary obstacles.

In short, fake IP prevents real products from reaching the market. Let's make these patents a liability of the patentee rather than a barrier to innovation.

4. The Indian Judiciary and Patent Office

Fake patents:

- Clog the system.
- Increase opposition and litigation.
- Slow down examination timelines

Patent examiners are overworked, under-resourced, and often demotivated.

Every weak application that slips through:

- Degrades the overall quality of the patent database.
- Undermines trust in the Indian Patent Office.
- Creates an unnecessary burden on courts to resolve disputes later.

The result? **Delay, distrust, and dysfunction.**

5. The Public and the Consumer

When fake patents dominate:

- Genuine products are priced higher (due to adjusted price anticipating licensing).
- Useful technologies get delayed or blocked.
- Government R&D budgets are misused.

You, the taxpayer, end up funding:

- Grants to fake startups
- Pay a premium for the products or services that don't deserve it.
- Innovation schemes hijacked by non-innovators.

It's not just an economic cost. It's a **trust deficit in India's innovation story.**

6. The Idea of Merit Itself

Perhaps the biggest loss is this: **When fake innovation is rewarded, the next generation stops believing in real innovation.** Students stop inventing. Engineers stop building. Institutions stop caring. Why try hard when shortcuts win?

This decay of merit - slow, invisible, but fatal - is the deepest wound fake patents inflict on a growing economy.

The question isn't just "how many fake patents exist?" It's "how many real ones never got a chance because of them?"

We need:

- Stronger IP audits
- Transparent patent grant data
- Crackdown on patent mills and speculative platforms
- Establish real accountability for abuse.

- Engage experienced, truthful, and well-versed experts to develop actionable policies rather than just fancy number-focused ones.
- Avoid bringing in half-knowledge experts for startup training sessions.
- Encourage respect for others' IP instead of just filing IP.

Because every fake patent that wins steals oxygen from a real innovation that could have changed lives.

CHAPTER 11

The Design Patent Loophole

"No innovation? No problem.
Just file a sketch and call it protection."

The Real Purpose of Design Patents

Design patents are intended to protect the **appearance and feel** of a product - specifically, the *ornamental* aspects, such as shape, pattern, or configuration - rather than its underlying operation. Their legitimate role is crucial: they encourage creativity in industrial design and prevent blatant visual copying.

However, in the hands of those seeking to exploit the patent system for quick profits, design patents have become a shortcut to claim innovation without truly innovating. Many government tenders or procurement RFPs prioritize patented technology, and a design patent is the easiest way to meet the checklist. While such preferences can help boost an

innovative economy, they can also, with improper use, lead to unethical practices.

In a real-life example, a businessman presents photos of products from different countries and files design patents to meet the tender's criteria. The patent agent is aware of this and can advise his client not to waste money. The client has a strong business case, but the government office lacks an auditing team to verify claims, and design applications receive the least scrutiny. The business case takes precedence over innovation.

Why They're a Loophole in the System

Compared to utility patents, design patents:

- Requires **no technical explanation** or working prototype.
- Are **cheap and quick to file.**
- Face-**less scrutiny** during the examination.
- Are often **overly broad** or vaguely drawn.

That makes them the perfect tool for:

- Filing *just enough* to secure rights for show-off or bidding for tenders where the patents are required.
- Claiming ownership of generic-looking products.
- Asserting control over *style* instead of *substance.*

The result? A growing number of **visually obvious, low-value, or recycled designs** are getting protection - and being used for **commercial leverage** rather than creative defense.

The Rise of Fake Design Patents

Many patent mills and filing agents now **push design patents** onto startups and individuals by:

- Promoting them as quick "IP assets" for pitch decks
- Filing dozens of similar-looking designs for packaging, bottles, apps, or gadgets
- Encouraging clients to register *barely* original elements

Often, the **goal isn't protection** - it's to:

- Show inflated IP portfolios.
- Get government grants or startup recognition.
- Get additional points in government tenders.
- Threaten others for settlements.
- Boost valuation in funding rounds.

This is **IP theatre** - and it's being rewarded.

India's Unique Problem

India has seen an explosion in design filings in the past decade. But behind that surge are:

- **Under skilled examiners** approving templates and copy-paste filings.
- **Consultancies** churning out cookie-cutter designs just to meet quotas.
- **Fake innovators** using design patents as a backdoor to IP credibility.

Even government-supported platforms often highlight the *number* of IP filings over their *quality*. In such an environment, **design patents are being gamed** as fake signals of innovation.

The Collateral Damage

- **Startups** building genuine products face nuisance threats from bogus design owners.
- **Investors** are misled by padded patent portfolios.
- **Courts** get clogged with weak design enforcement claims.
- **Designers and engineers** are demotivated when visual tweaks become more valuable than functional breakthroughs.

An Anonymized Real Example

A bootstrapped wearable-tech startup was sued over a design patent covering a **rectangular wristband with rounded edges** - a design feature found in almost every wearable device.

The suing party?

A firm that had filed **multiple such designs** over generic shapes, **never built a product**, and used the registrations mainly to negotiate licensing fees or scare small players.

This is not protection. It's **predation through design rights.**

Weaponizing Furniture Designs

Another example is from India's rapidly growing interior and furniture market. Some boutique design firms have turned to design patents not as a shield for genuine creativity, but as a sword for commercial leverage.

These firms often file design registrations for everyday furniture items-such as table frames, sofa contours, or lamp shapes-that are minor tweaks of already existing global styles.

Once registered, the designs become tools to police online marketplaces like Pepperfry or Urban Ladder, where vendors unknowingly sell lookalike pieces.

Legal notices are then sent, not to protect original craftsmanship, but to coerce takedowns or seek quick settlements.

For small sellers and MSMEs without the legal muscle to fight back, the easiest option is often to comply-regardless of the legitimacy of the claim.

This practice thrives due to the low bar for design patentability and the lack of technical scrutiny, allowing ornamental registrations to be misused as instruments of suppression rather than innovation.

The previous two snippets show nearly identical office chairs: one is a real-world product (commonly available on marketplaces like Amazon), while the other has been granted a design patent in India. At first glance, it's difficult to tell them apart - both have a mesh backrest, a padded black seat, adjustable armrests, and a five-wheel base.

This case highlights a significant issue with design patents being used as regulatory shortcuts rather than as protection for truly novel designs. The patented design, despite being indistinguishable from mass-produced furniture already in circulation globally, was still granted a design registration. Such

registrations can later be misused by individuals or entities to threaten sellers or block imports, not because of genuine innovation, but because they obtained the paperwork first.

This example highlights a loophole in the design registration system, where minimal prior art searches and visual differences alone can be enough for a claim - even if the product is generic, decades old, or widely used internationally. Some design patents are even just copies of products already sold in foreign countries. It's a stark reminder that when appearance alone forms the basis of a legal monopoly, it opens the door to abuse, litigation threats, and commercial bullying - all under the pretence of "innovation protection."

What Needs to Change?

To stop the spread of fake design patents:

- **Stricter novelty checks** - especially for obvious shapes or common industry styles
- **Higher accountability** for firms filing high volumes of suspicious designs.
- **Pre-grant challenge mechanisms** to cancel low-value or duplicate designs.
- **Transparency tools** to assess real-world use of registered designs.
- **Technology implementation** to perform better image search and similarity analysis.

India can't afford to waste economic potential on aesthetic monopolies. Design patents are not the enemy. Their abuse is.

They should **protect originality**, not **manufacture it on paper**. And certainly not be used to:

- Inflate valuations.
- Game government schemes.
- Threaten real creators.

Because when fake designs are rewarded like real inventions, the entire innovation system begins to rot from the surface.

CHAPTER 12

The Role of Media and Public Perception

"Media loves patents. Details? Not so much."

In today's fast-paced digital age, media plays a vital role in shaping public opinion-especially on topics like innovation and technology. However, when it comes to patents in India, many media outlets often present a story that is incomplete, misleading, or overly optimistic.

The public equates **"having a patent"** with **"being innovative"** and **"successful."** Media reports often highlight the number of patents filed by startups, universities, or companies as symbols of achievement - without critically analyzing what those patents actually signify.

Headlines That Sell, But Do Not Tell

Consider headlines like:

- *"Indian Startup Files 100 Patents in a Year"*
- *"Government Awards Patent Grants to Boost Innovation"*
- *"XYZ Company's Patent Portfolio Valued at $100 Million"*

The above snippet highlights media reports that glorify the patent as a success story, when in fact, they should critically examine and question the logistical and technical merits of the patent itself.

Eventually media headlines catch attention, but they rarely answer the questions that matter:

- What are the details of the involved patents? Are they granted or just filed?
- Are these patents genuine breakthroughs?
- Are the patents technically sound or merely strategic filings?

The media often **celebrates patent quantity, not quality**, feeding a narrative that can be easily manipulated by patent mills and consultants pushing for volume.

The Hype Cycle: More Patents = More Success?

Many startups, incubators, and even academic institutions play into this hype. They proudly advertise patent counts to attract investors, customers, or government grants. But as we have seen in previous chapters, many of these patents are:

- Low quality
- Non-commercialized
- Filed without true innovation

This **illusion of innovation** creates a **feedback loop**: media coverage motivates more patent filings, regardless of their substance, which in turn generates more headlines.

Public Misunderstanding and Its Consequences

The average person, including entrepreneurs and policymakers, often **misunderstands what a patent truly represents**. They may believe:

- Every patent means a valuable, market-ready invention.
- Patents guarantee business success.
- The more patents a company holds, the more innovative and trustworthy it is.

This misunderstanding leads to:

- **Misallocation of resources** towards chasing patent numbers instead of meaningful R&D.
- **Investors are making funding decisions** based on inflated patent portfolios.
- **Policymakers are pushing programs** that reward patent filings without scrutiny.

Media's Missed Responsibility

The media has a critical role to play - not just in reporting the number of patents, but in **investigating their impact and authenticity**. Unfortunately:

- Journalists often lack deep IP knowledge to critically assess patents.
- Reporting tends to rely heavily on company press releases or official government claims.
- Sensational stories about patent "breakthroughs" overshadow nuanced discussions on patent quality.
- No involvement of IP experts in the panel.

Changing the Narrative

For media to support genuine innovation, it must:

- Ask tougher questions about the **substance behind patent filings.**
- Highlight stories of **real innovation, impact, and commercialization.**
- Educate the public about **what patents can and cannot do.**
- Expose cases of **fake patents and IP abuse.**

A Call to Media, Policymakers, and Public

The cycle of fake patents and misperception will break only when the media stops glamorizing patent counts and starts demanding accountability.

Policymakers shall introduce regular IP Audits of companies similar to that of financial audits, with a scope covering infringement, innovations, and R&D roadmaps. The auditor shall be responsible for ensuring the quality of the IP audit and provide an independent report to the company's board. The company shall disclose the report to the public when making such claims, including the auditor's name and profile.

CHAPTER 13

Fake Patents in a Global Context - India and the World

"Not Just an Indian Problem"

While this book focuses on the Indian patent ecosystem, it's essential to acknowledge that **fake or low-quality patents are a global issue**. From patent trolls in the US to design loopholes in China, many countries face their own version of the same problem - the overvaluation and misuse of intellectual property rights.

But what makes India's situation particularly concerning is the **rapid glorification of patent numbers** without the corresponding infrastructure, scrutiny, and accountability that mature economies enforce. To better understand India's patent pitfalls, we need to look at how other countries handle innovation, IP enforcement, and patent abuse.

United States: Patent Troll Capital of the World

The US patent system is arguably one of the most mature, yet it struggles with **non-practicing entities (NPEs)** or **"patent trolls."** These are companies that don't manufacture any product or provide services but hold or acquire patents to **file lawsuits or extract settlements** from those who sell or manufacture products.

- Lawsuits are often **based on broad, vague, or overly generic patents.**
- Victims include **tech startups, small inventors, and even major companies.**
- Although, US has introduced reforms (like the **America Invents Act** and the **PTAB** for reviewing patent validity), litigation remains costly and painful.

Is it entirely wrong to practice this? No. It strikes a balance between independent inventors and large corporations, where they use their strong financial resources to copy the technology of small inventors.

There are many stories of such power misuse by top companies in the US. But when the power balance shifts more toward the other side, it creates new problems and demands attention.

Lesson for India: Having strong patent laws alone doesn't prevent misuse; enforcement and checks are equally important.

China: Design Patents and Innovation Metrics

China is known for churning out millions of patents annually, especially utility models and design patents. But:

- Many are low-value filings at the application stage, done to **gain government subsidies or meet performance KPIs.**
- Some patents are **filed without any intention of commercialization.**
- This has led to a **bubble of paper-based innovation** - similar to the Indian scenario.

However, China has recently begun **cracking down on abnormal patent applications**, particularly those not intended to promote genuine innovation. They're moving from "more patents" to "better patents."

Lesson for India: Recognize the dangers of incentivizing volume over value - and act before the bubble bursts.

Europe: Quality Over Quantity

European countries, especially Germany and the Scandinavian nations, tend to file **fewer patents but of higher quality**. The **European Patent Office (EPO)** has stringent examination standards, and:

- **Patent litigation is less** and generally **quickly resolved.**

- Governments and institutions invest in **deep tech R&D**, not just IP numbers.
- The focus is on **commercialization and technology transfer**, not IP optics.

Lesson for India: A rigorous filtering system can discourage frivolous filings and protect real innovation. The technical effect filter and rigorous examiner interview are key learning points to follow.

Japan and South Korea: Strong Patents, Strong Enforcement

In countries like **Japan and South Korea**, patents are **strategic and enforceable**. Filing a patent:

- Carries **commercial seriousness**
- Often aligns with **product development pipeline**s
- Is backed by **corporate R&D, university-industry collaborations,** and **international strategies**

They have high filing numbers but also **clear roadmaps for technology deployment** and global competition.

Lesson for India: Patents must be part of a **larger innovation strategy**, not an isolated vanity metric.

India: Where Do We Stand?

India sits at a critical junction. It has:

- Growing enthusiasm for IP among startups and academia
- Government schemes promoting patent filing.
- A swelling number of low-quality filings and patent mills
- Weak enforcement, limited public scrutiny, and minimal patent commercialization.

India risks becoming the "China of the past" or the **"troll haven of the East"** if it doesn't course-correct.

While the global perception of India's patent ecosystem is already strained by the proliferation of low-quality filings and superficial IP claims. An incident, where a private consultancy allegedly accessed unpublished patent data without formal sanction, only adds fuel to these concerns. Such procedural breaches raise questions on how rigorously India safeguards innovation disclosures before granting rights. If internal governance can be bypassed this easily, what stops the system from becoming a patent mill feeding fake innovation on a global stage?

Summarizing the Gap: What India Can Learn

- **Adopt a patent quality index**, not just count metrics.
- **Reform the patent examination process**, focusing on rigorous scrutiny like Europe.

- **Discourage speculative filings** by implementing stiffer fees and conducting post-grant audits.
- **Encourage commercialization**, not just filing, through incentives tied to real outcomes.
- **Collaborate with global patent offices** to benchmark standards.
- **Train media and policymakers** to distinguish between genuine and fake innovation.

Global Lessons for a National Crisis

Fake patents aren't just a technical flaw - they're a **policy, economic, and reputational risk**. India can either establish itself as a global IP leader or persist in promoting an empty narrative of innovation.

Looking outward and learning from others may be the most genuine step forward.

CHAPTER 14

International Reactions to Indian Patent Misuse - A Quiet Backlash

"The World Is Watching"

India's rapid growth in patent filings has raised eyebrows - not just domestically, but internationally. While the government celebrates a rise in patent numbers, foreign companies, investors, and regulators are **taking notice of the growing concerns around patent quality, misuse, and lack of enforcement**.

And their reactions are becoming sharper - often quiet, but deeply consequential.

1. Freedom to Operate (FTO) Blockades

Multinational corporations (MNCs) and tech companies conducting **Freedom to Operate (FTO)**

studies have begun to flag **Indian patents as "high-risk"**, even when they are **technically weak or invalid**. Why?

- **Litigation risk**: Companies fear being dragged into Indian courts by patent holders with vague or overly broad claims.
- **Due diligence red flags**: Investors and global partners are wary of associating with Indian startups that boast a portfolio of questionable patents.
- **Licensing roadblocks**: Negotiations with Indian IP holders slow down or collapse when patents appear legally dubious.

Result: Indian inventors and companies get **excluded from international deals**, or their tech is avoided altogether due to **IP fog**.

2. Trade Negotiations and Bilateral Pressure

India's history with **compulsory licensing** and **public interest over patents** (especially in pharmaceuticals) has already made global IP lobbies cautious. But the rise of **fake or defensive patents** has become an added point of tension in:

- **US-India trade talks**, where the USTR has repeatedly flagged concerns about IP enforcement *(see snippet below)*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U.S. again puts India on 'priority watch list' for alleged IP rights' violations

It said that although India has worked to strengthen its IP regime, there continues to be a lack of progress on many long-standing IP concerns

Published - April 29, 2025 09:28 pm IST - New Delhi

- **EU negotiations,** especially in areas involving **technology, life sciences, and clean energy.**
- **Bilateral investor agreements** increasingly highlight the **inflated patent portfolios** of Indian firms due to due diligence reports.

Impact: Some trade concessions are quietly withheld, market access is restricted, or stricter IP clauses are demanded in FTAs.

3. Evolving Global Scrutiny on Patent Filings

With the adoption of AI-assisted examination tools, patent offices in Europe, the US, and Japan are improving their ability to identify patterns in applications that may require closer review. Filings from fast-growing IP jurisdictions, including India, are increasingly appearing in categories such as:

- Applications with broad or generalised claim language.
- Granted patents that undergo significant narrowing during examination.
- Multiple filings with minimal technical differentiation.

- High-volume filings from academic institutions with limited citation references.

As global patent ecosystems become more data-driven, such patterns prompt thorough examination to ensure compliance with the respective jurisdiction's patentability standards. While these developments reflect a focus on improving examination quality worldwide, it also presents an opportunity for Indian applicants to align their drafting practices with evolving international expectations.

Message: As AI tools enhance global patent examination processes, aligning filing strategies with rigorous technical clarity and originality will become key to improving international grant outcomes.

4. MNCs' Internal IP Policies Exclude Indian Patents

Some multinationals now have **internal policies** to:

- **Reject or heavily vet Indian-origin patents** in M&A and licensing discussions.
- **Exclude Indian patents from global patent landscaping reports** unless validated externally.
- **Many multinational corporations don't file patents in the global market originating from India, and they don't file in India for inventions originating in other key countries.**

- **Blacklist vendors and research partners** who appear to inflate patent numbers for prestige or funding.

Consequence: Even genuine Indian innovations face a stigma - making it harder to collaborate or monetize.

Furthermore, global companies with advanced technologies tend not to prefer India as a key market due to its relaxed legal environment. India's injunction system emphasizes equitable justice, focusing on public interest and non-automatic relief, with more rigorous scrutiny of patent validity and working. In contrast, Germany's approach favors patent owners by granting automatic injunctions upon proving infringement, although recent reforms aim to temper this strict enforcement through proportionality.

5. Reputational Blowback

India risks being seen not just as a place of **IP loopholes**, but as a **market where innovation claims are not trusted**. This is especially harmful when:

- Indian startups pitch to global investors.
- Indian universities seek research partnerships.
- Indian products try to enter regulated markets like the EU or the US.

Long-term risk: The fake patent ecosystem could cause a **credibility crisis** for Indian tech.

From Local Scams to Global Barriers

Fake patents in India aren't just harming innovation within the country - they're also **closing international doors**. What may begin as a shortcut to attract investors or boost rankings eventually leads to **blocked deals, blacklisted portfolios, and national reputational damage**.

Until India starts taking patent quality seriously, the world will continue responding - subtly, but decisively. The ecosystem needs an independent audit of each claim made by companies or universities.

CHAPTER 15

Behind the Curtain - Dilemma of Patent Examiners

"Examiners juggle innovation, law, and a mountain of mediocrity - while being told to clear pendency."

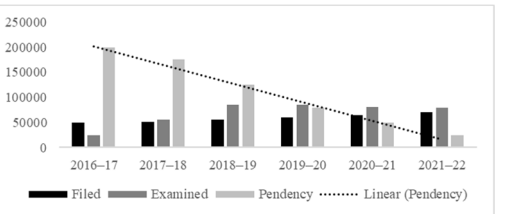
In the field of intellectual property, patent examiners are the unseen actors. While innovators and institutions bask in the glow of "granted patents," it is the examiners who do the thankless, invisible work - combining through prior art, evaluating inventive step, and interpreting ambiguous claims. But what happens when even these gatekeepers are stretched to the brink?

To understand the roots of India's **rising fake patent problem**, we spoke with current and former **Indian patent examiners**, IP attorneys, and insiders. What we discovered was not fraud or malice - but something far more dangerous: **A broken system struggling to uphold the integrity of innovation.**

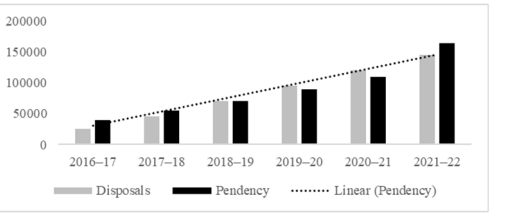
1. Inside the Pressure Cooker - The Examiner's Reality

Most patent examiners we interviewed described their job in one word: **"unmanageable."** Here's why:

- **Massive backlog**: Most patent applications get stuck in the controller pipeline after the first examination report is issued. The reports shows that pendency at the examiner level has significantly decreased from 2015 to 2022, but applications still get delayed at the final disposal stage. How can we reduce this delay without identifying the root cause? The root cause might be the quality of searches at the patent office, which leads to more work for the controller, the number of controllers in the system, or an unequal distribution of workload between controllers and examiners.



This graph shows pendency level at examiner's level from 2016 to 2022. (*Source: Office of CGPDTM)*



This graph shows pendency level at controller's level from 2016 to 2022. *(Source: Office of CGPDTM)*

- **Time pressure**: Examiners often have **2–3 days per application** to make complex decisions about novelty, inventive step, and utility.
- **Inadequate training**: Many examiners are selected through competitive exams but receive limited domain-specific training, especially in frontier tech fields.
- **Lack of access to proper databases/tools**: Unlike the USPTO or the EPO, the Indian patent search is complex to the outside world. The patent office invested in many databases and technologies in-house, but how effectively they are being used as of now is still a question.

2. Quality Takes a Back Seat

Because of these constraints, examiners sometimes fall back on **mechanical evaluation** or internal shortcuts:

- **Focus on format, not substance**: If the application is well-drafted, uses the correct

keywords, and checks the formal boxes - it's likely to sail through.

- **Patent flooding from institutions**: When universities submit over 50 nearly identical applications to boost rankings or win grants, examiners are not motivated to reject them all.
- **Inventive step analysis becomes shallow**: Claims that should be challenged often get a "benefit of doubt" - especially in fast-moving or poorly documented fields.

Outcome: Patents get granted **not because they're truly innovative, but because the system has no capacity to say no.**

3. Frustrated, Not Corrupt

Contrary to popular belief, most examiners are **not corrupt**. What they are, however, is **underpaid and demoralized**.

- Many hold **M.Techs or PhDs**, yet are stuck in bureaucratic structures with little opportunity for growth.
- **Promotions** are often linked to tenure, not performance or quality.
- There is **no reward for diligence** - in fact, taking too long on a file may invite internal warnings.

4. The Quiet Exit

As the job grows more mechanical and political, many examiners are **leaving the service** to become:

- **Patent agents for private firms**
- **Corporate IP consultants**
- **Startup advisors** who ironically navigate the same broken system from the other side

This "IP brain drain" means India is constantly training and losing talent from within its own patent system.

5. Why Fake Patents Get Granted

All of this leads to a simple but unsettling truth: **Fake or low-quality patents often pass through not because of bribery, but because of exhaustion, volume, and institutional apathy.**

- The system rewards **quantity over quality**
- Examiners hesitate to challenge filings from powerful entities - universities, ministries, or corporations
- There is no rigorous audit or re-evaluation of granted patents unless they are challenged in court. Recently, during examiner interviews, we noted a greater tendency toward the European patent examination process, which would enhance quality. More formal training and collaborative initiatives with IP offices will facilitate a faster learning curve.

6. Towards Reform - What Can Be Done?

Fixing this isn't impossible, but it needs political will and budgetary backing:

- **Increase examiner recruitment and specialization.**
- **Invest in AI tools** for prior art search and claim analysis.
- **Create incentives for patent quality**, not just grant rate.
- **Allow public opposition and third-party review** in a streamlined manner.
- **Start naming and shaming repeat fake filers,** especially among academic institutions.

State of the Art?

India's patent ecosystem suffers from a critical manpower shortage. As of March 2022, the Indian Patent Office had only 860 personnel, including both patent examiners and controllers. In comparison, countries like China and the United States employ over 13,700 and 8,100 patent professionals, respectively. Although they handle more applications, this glaring imbalance places immense pressure on Indian examiners, who are often required to handle a disproportionately high number of applications, undermining the depth and quality of examination.

This staffing issue contributes directly to the substantial backlog of patent applications. In India, delays of two to five years are common before an application even reaches the examination stage.

The problem has been formally acknowledged in parliamentary discussions, where concerns were raised about inadequate human resources, lack of specialized training, and inconsistencies in examination quality. It was also noted that the continued grant of low-quality patents could jeopardize India's reputation in the global intellectual property community.

Infrastructure issues further compound these challenges.

A case in point: a newly built patent office in Delhi remained unoccupied for over a year due to unpaid utility bills and the absence of required statutory approvals.

During this time, patent officers were forced to work from home, often without access to essential databases or tools necessary for thorough prior-art analysis.

Granting Is Easy, Guarding Is Hard

The Indian patent office is not failing only due to corruption - it's faltering because the system does not empower or support its own examiners.

In a world where **a patent is seen as a badge of innovation**, we've forgotten to ask:

Who decides what's worthy of that badge - and are we giving them a chance to do it right?

Until we look behind the curtain and fix the root issues, the flood of fake patents will continue - not because examiners are blind, but because the system ties their hands.

Indian Patent Office shall also establish an independent board in the patent office to resolve disputes between inventors and examiners, as sometimes these parties can reach a deadlock.

Such an independent board can enhance credibility and improve the quality of work at the patent office.

This won't make the system perfect, but it will be a step toward a more effective patenting process.

CHAPTER 16

The True Cost - Beyond Numbers and Headlines

"The real cost of a patent frenzy? Missed innovations that never made it past paperwork."

What is your impression - Innovation or Illusion?

India's patent ecosystem has become a paradox: booming on paper, but hollow in impact. With patent filing numbers flaunted in headlines and startup brochures, the country appears to be riding a wave of innovation. But beneath this surface lies a troubling reality - a system increasingly clogged with **low-quality, redundant, or outright fake patents**.

The damage? Substantial. But not always visible.

Economic Fallout

- **Wasted Investment**: Government grants, tax subsidies, and startup funding are often directed toward entities that build portfolios of questionable patents with little to no genuine innovation.
- **Patent Troll Economy**: A new class of IP speculators and brokers thrives by **selling, licensing, or threatening litigation** based on these patents - extracting value without contributing to progress.
- **Lost R&D Momentum**: Genuine innovation is often sidelined when institutions and corporations prioritize filing worthless patents over investing in genuine research.

Societal Repercussions

- **Innovation Theatre**: Public trust in the IP system is eroding. When colleges receive awards for patented water purifiers that don't work, or startups claim "patent-pending" products that are mere repackaging - citizens lose faith in the system.
- **Misleading Aspirations**: Youth and researchers are often incentivized to chase numbers rather than innovation. The education system starts measuring creativity by **patent count instead of problem-solving capability**.

- **Consumer Harm**: Patented-but-fake wellness products, exaggerated claims on packaging, and overpriced goods justified by "IP value" are **exploiting consumer ignorance** and regulation gaps.

Global Consequences

- **Reduced Credibility**: Indian patents, when viewed as unreliable or overly broad, face **higher scrutiny or outright rejection** in global licensing and litigation cases.
- **Trade Barriers**: FTO (freedom-to-operate) analyses more often flag Indian patents as suspicious or weak. International companies hesitate to collaborate, fearing legal risks or damage to their reputation.
- **Loss of Leverage**: In international negotiations, a country's IP credibility can become **a tool for or against trade deals**. Fake patents weaken India's hand.

The Opportunity Cost

What could we have done instead?

- Funded deeper research
- Backed hardware prototypes and industrial R&D
- Support open innovation or tech transfer initiatives

- Built patent examiners' capacity and digital tools
- Set an independent IP auditor board by collaborating with Indian experts having global experience

Each fake patent is a wasted opportunity - where money, time, and talent could have gone toward real solutions for clean water, affordable energy, agriculture tech, and more.

The Road Ahead

India is at a tipping point. Will we continue to inflate our innovation bubble with hollow filings - or will we restructure our ecosystem to **reward real breakthroughs**?

Key directions:

- Strengthen **substantive examination rigor**
- Create **public patent audits** and prepare a blacklist of repeat abusers
- Incentivize industry-academia collaboration that leads to **products**, not papers
- Measure innovation by **outcomes and adoption**, not IP count

CHAPTER 17

A Call to Innovate Honestly - Rebuilding Trust and Integrity

"Time to Face the Mirror"

India has reached an inflection point in its innovation journey. On one hand, it proudly boasts a booming startup ecosystem, rising patent numbers, and a new generation of tech entrepreneurs. On the other hand, it struggles with a deeply compromised IP ecosystem - one where **quantity often trumps quality**, and where **fake patents are not outliers but indicators of systemic flaws**.

This book has exposed the layers of that dysfunction. But now comes the more important question: **What next?**

The Innovation We Need

India doesn't only need more patents. India needs **better patents** - those rooted in genuine problem-solving, validated prototypes, and real-world utility for building the next generation of companies like Google, Apple, Ericsson, Nokia, Tesla, LG, Samsung, BASF, Medtronic, or BYD.

Innovation must be decoupled from **paperwork and performative IP filing**. It must be rooted in curiosity, experimentation, and impact.

Who Must Act - And How

◈ Inventors, Students, and Startups

- File only when you know your invention solves something novel, non-obvious, and useful.
- Don't chase patents for awards or publicity - chase them when they matter.
- If your invention doesn't require a patent, that's okay. Solve real problems anyway. There are many other ways to protect your idea, including trademarks, know-how, trade secrets, and copyrights.

◈ Patent Examiners and IP Professionals

- Demand more time, training, and technology support.

- Uphold integrity. Say no to pressure, bribery, or shortcuts.
- Speak out when systems fail - anonymously if needed. Reform starts from within.
- Don't just churn numbers to make money, and make inventors understand that it needs time and money to protect one good asset.

◈ Policy Makers and IP Regulators

- Increase **transparency** in patent grants, oppositions, and examiner accountability.
- Penalize repeat abusers - universities, startups, and consultants who file junk IP.
- Link incentives to **commercialization**, not just filing.

◈ Investors and Corporates

- Don't get dazzled by "patent-pending" labels.
- Conduct IP due diligence. Ask: Does this patent actually protect something defensible? Is IP strategy aligned with business strategy?
- Invest in startups that build, not just claim.

◈ Media and Public Institutions

- Stop glorifying numbers. Highlight meaningful innovation stories.
- Investigate and report cases of IP fraud.

- Train journalists to interpret IP beyond press releases.

Restoring IP Integrity = Rebuilding India's Innovation Credibility

If India wants to be seen as a **global technology powerhouse**, it must act decisively. Every fake patent filed and granted is a crack in the foundation of our innovation economy.

But every real, honest invention - even if it's not patented - is a brick toward lasting growth.

A New Vision for Indian Innovation

Imagine a future where:

- The majority of patents granted from India earn global respect.
- Students value creativity more than certificates.
- Startups launch with working prototypes, not empty IP slides.
- Examiners are celebrated for rejecting bad patents, not approving them fast.
- Media headlines shift from "Startup Files 10 Patents" to "Startup Solves Real Problem with X number of patents."
- And where an Independent IP Audit Board, much like India's Chartered Accountancy system, holds inventors, institutions, and

intermediaries accountable - ensuring that IP filings are not just procedural, but purposeful.

This is possible. But only if we make the **conscious choice to innovate honestly.** The future calls for a cultural shift - one that values quality over quantity, intent over appearance, and solutions over slides.

Fake patents bring real money - but real innovation builds lasting wealth. The difference lies in courage, integrity, and vision. This book is your invitation - to question, challenge, and rebuild.

It's time to make India not just a land of inventors, but a land of **impact-driven, integrity-first innovators**.

Let the real innovation begin.

Author's Disclaimer

"The content of this book has been created with the intention of providing a comprehensive view of the discussed issues. Occasionally, specific ideas or examples may seem repetitive; this is intentional. The repetition serves to emphasize how various perspectives and actions along similar paths can lead to unique challenges, highlighting the complexity of the subject. To protect privacy and maintain professional ethics, some names and identities have been concealed.

The use of real-world snippets and illustrative examples is intended solely to provide clarity and context. This approach helps readers visualize scenarios and make more informed, conscious decisions. There is no intent to defame, discredit, or target any individual, organization, or entity.

All views and opinions expressed here are solely those of the authors.

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The book seeks to identify the underlying causes of systemic issues and offer a guiding framework for reform. In an upcoming publication, we will present a comprehensive, non-discriminatory intellectual property (IP) audit framework designed to tackle these challenges in a structured and actionable way."

Book Summary

Fake Patents, Real Money: The Art of Making Money Out of Perception exposes the dark side of India's patent system, where innovation often takes a backseat to exploitation. This eye-opening book reveals how fake, low-quality, and speculative patents waste resources, hinder genuine creativity, and undermine the very spirit of invention. Through engaging stories, expert insights, and sharp analysis, the authors reveal the real cost of this broken system - not just to inventors and businesses, but to India's economy and global reputation. A must-read for policymakers, entrepreneurs, and anyone interested in the future of innovation in India.

About the Author

Sukhdeep Singh

Sukhdeep Singh is an IP Consultant Driving Authentic Innovation and Strategic Patent Advisory.

With a deep technical foundation and a forward-thinking mindset, Sukhdeep has emerged as a dynamic force in the world of intellectual property - helping inventors, businesses, and legal teams not just file patents, but build meaningful innovation portfolios.

Holding a Bachelor's degree in Mechanical Engineering and a Master's in Computer-Aided Design and Manufacturing (CAD/CAM), Sukhdeep combines technical depth with strategic foresight. His background enables him to decode complex inventions and align them with robust IP strategies that protect, commercialize, and scale innovation.

With over six years of experience, Sukhdeep has supported clients across India, Europe, and the United States, contributing to a wide array of IP services - from prior art analysis and patent drafting to invalidation studies, freedom-to-operate assessments, and portfolio strategy. His domain expertise spans mechanical systems, industrial design, automation, virtual reality, cardiovascular implants, and emerging technologies.

As a thought leader, Sukhdeep has authored insightful articles on platforms like IPWatchdog, including "3D Printing: Adoptability, Assurance, IP and Consumer Concerns", where he explores the intersection of disruptive technologies and intellectual property. His writing reflects a commitment to unpacking complex topics and making them accessible to innovators, policymakers, and the broader tech community.

Beyond his consulting practice, Sukhdeep actively contributes to IP education and ecosystem development through webinars, student outreach, and advisory roles. He is currently exploring the use of AI and patent intelligence tools to democratize access to IP strategy for grassroots innovators and startups.

Vinay Sharma

Vinay Sharma is a Visionary Product Owner Driving Innovation and Intellectual Property Strategies.

With a diverse academic background and a wealth of technical expertise, Vinay has established himself as a leading force in driving innovation and shaping intellectual property strategies.

With a Master's degree in Consultancy Management, Vinay possesses a profound understanding of strategic thinking and problem-solving. His Bachelor's degrees in Law and Electronics and Communication further enhance his capabilities, enabling him to navigate the complex intersection of technology and legal frameworks with ease.

As an Indian Patent Agent and Attorney, Vinay's expertise spans patent strategy, technology landscape analysis, portfolio management, monetization, market entry strategies, and IP valuation. Vinay possesses the unique ability to identify and capitalize on emerging trends, giving his clients a competitive edge in the global market.

Vinay's expertise goes beyond theory and into hands-on practice. He has effectively drafted numerous patent applications for clients around the world, assessed over 50 companies for IP acquisition, and managed his clients' patent portfolios for strategic prosecution and licensing. His skill in forming strategic alliances, including evaluating acquisitions,

and valuing IP assets, has been key in helping organizations achieve sustainable growth.

Vinay's contributions extend beyond his professional endeavors. As a renowned guest expert and presenter, he has shared his insights on IP strategy and open innovation at prestigious events such as TIECon and World IP Conference. His expertise in topics such as R&D strategy and maximizing returns on investment has positioned him as a sought-after thought leader in the industry.

Vinay has been named to the IAM Top 300 strategy list for four consecutive years and has contributed to a book on the valuation of IP assets, published as "The Blackhole of IP Valuation: Proving the Worth, Putting a Value on Intellectual Property" by WSB.