New Indian Patent Office Guide on Software Inventions

September 3, 2015

New Indian Patent Office Guide on Software Inventions

By Madhur Singh

The Indian Patent Office issued new guidelines for the examination of computer-related inventions specifying what subject matter is not patentable, as part of an effort to introduce greater clarity and uniformity in how applications are examined.

The guidelines, issued Aug. 21, emphasize "technical advancement" over "technical effect," specifying a range of tests to determine "technical advancement" that would make an invention patentable.

The previous set of guidelines issued in July 2013 addressed the criticism that each office treated similar applications differently by aiming to provide guidelines that would introduce uniformity and consistency to examination of computer-related inventions.

However, these guidelines were criticized for failing to clarify interpretation of a much-debated provision under the statute: Section 3(k) which states that "a mathematical or business method or a computer programme per se or algorithms" are not patentable. What constitutes a computer program "per se" has been open to debate and interpretation.

The present set of guidelines, however, go some distance in removing this imprecision. They specify that to be patentable, the

subject matter of the patent application should be:

• novel hardware,

• novel hardware with a novel computer program, or

• a novel computer program with a known hardware which goes beyond the normal interaction with such hardware and affects a change in the functionality or performance of the existing hardware.

"A computer program, when running on or loaded into a computer, going beyond the 'normal' physical interactions between the software and the hardware on which it is run, and is capable of bringing further technical effect may not be considered as exclusion under these provisions," the guidelines states.

In effect, software is not entirely unpatentable in India, provided it adds to the machine and provides a technical advancement. Therefore, the guidelines will be useful for inventors, specification drafters and companies dealing with application of computer-related inventions, but not those dealing purely in software.

Practitioner: 'Swing of the Pendulum.'

New Delhi-based intellectual property lawyer Rajiv Choudhry told Bloomberg BNA by email Aug. 31 that this signified a

"swing of the pendulum."

"Example 8.4 in the revised CRI examination guidelines relates to a computer-implemented method for identifying people and professions etc. in a given set of names, people, professions, etc. In the previous years, this would have been non-patentable. The revised set of guidelines state this to be patentable," he said.

Another example (9.1), illustrates what is not patentable: a method for calculating compatibility between members of a social network.

Ritushka Negi of Remfry & Sagar, said that the guidelines are also novel in their emphasis on technical advancement as a yardstick for determining patentability, rather than "technical effect." This explanation ought to result in greater standardization of the examination process, he said.

However, the term "technical advancement" has not been defined explicitly, although some "tests" for determining technical advancement have been given:

(i) whether the claimed technical feature has a technical contribution on a process which is carried on outside the computer;

(ii) whether the claimed technical feature operates at the level of the architecture of the computer;

(iii) whether the technical contribution is by way of change

in the hardware or the functionality of hardware;

(iv) whether the claimed technical contribution results in the computer being made to operate in a new way;

(v) in case of a computer program linked with hardware, whether the program makes the computer a better computer in the sense of running more efficiently and effectively as a computer;

(vi) whether the change in the hardware or the functionality of hardware amounts to technical advancement.

The guidelines say that, if the answer to any of these questions is in the affirmative, the subject matter may be patentable. This leaves room for interpreting the scope of this term broadly in response to varied facts in different cases.

Non-Patentable 'Business Method' Defined

The guidelines also offer useful guidance on when a "business method" may not be patentable under Section 3—"if the subject matter is essentially about carrying out business/trade/ financial transaction and/or a method of selling goods through web (e.g. providing web service functionality)."

Mathematical methods are "per se" excluded from patentability. But, the guidelines say, "mere use

of a mathematical formula in a claim, to clearly specify the scope of protection being sought, would not necessarily render the claim to be mathematical method."

Examples of what may not be excluded are: any computing or calculating machine constructed to carry out a method; a method of encoding and decoding, method of encrypting and decrypting, method of simulation though employing mathematical formulae for their operations.

Examples of what is not patentable include acts of mental skill, e.g., a method of calculation, formulation of equations, finding square roots, cube roots and all other methods directly involving mathematical methods like solving advanced equations of mathematics.

Critics of the previous guidelines also said their intent seemed negative since all the examples they cited to clarify how examination was to be carried out were of patent applications that were rejected. The present guidelines also include positive examples, and are generally seen to be more encouraging in their tone.

Closer to U.S., European Approaches?

"For practitioners, it seems that the Indian IP office is coming in uniformity to both the practice at the U.S. patent office and the European patent office," Choudhry said. "The European patent office requires a 'technical

effect' test for patentability to the CRI application. This test, simply put, requires an advantage to the machine to be shown for grant of patentability. Indeed, the manual refers to the 'technical advancement' test in Section 6.1. Similarly, the new guidelines are also in line with the U.S. patent law practice post the U.S. Supreme Court decision in *CLS Bank International v. Alice Corp*."

Choudhry was referring to *Alice Corp. Pty Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2014 BL 170103, 110 U.S.P.Q.2d 1976 (2014). In that decision, the U.S. Supreme Court provided for a two-step analysis for patent eligibility of computer-related inventions.

First, the court determines whether the claimed invention is based on an abstract idea, often expressed at a high level of generality, such as a computerized escrow or surety arrangement.

If the claimed invention relates to an abstract idea, the court proceeds to the second step—to determine whether the patent adds "something extra" to the idea that embodies an "inventive concept." If there is no addition of an inventive element to the underlying abstract idea, the court will find the patent invalid.

To contact the reporter on this story: Madhur Singh in Chandigarh at correspondents@bna.com

To contact the editor responsible for this story: Anandashankar Mazumdar in Washington at amazumdar@bna.com

Text at http://www.ipindia.nic.in/iponew/draft_Guidelines_CRIs_28June2013.pdf.

RELATED NEWS

Patent Licensor Marathon's Turnaround Plan Bets on Fortress

Rawlings Sues to Stop New Easton Baseball Bat Before Rules Change

Jefferson Starship Name Dispute With Former Member Plays On

Inventors Torch Patents Outside PTO, Decry Review Process

Cost of Patent Infringement Litigation Falling Sharply

Mississippi Man Wants N-Word Trademark to Build Positive Brand

Is Copying Ever OK? Software Practices on Line in

RELATED BLOGS

MLB Plays It Safe With Players Nicknames, Trademarks

Kim Kardashian, Patent Infringer by Endorsement?

Qualcomm Takes Message Underground in Washington Amid Antitrust Fight

In Trademark Spats, Olive Garden Serves Up Emails, Arby's Sends Puppy

Former Copyright Office Head Pallante Gets IP Champion Award

Did the Jenner Girls' Unsuccessful T-Shirt Idea Violate a Right of Publicity?

Copyright Case

Patent Office Director Pick Iancu Calls for Balanced IP System

Music Rights Group, Government Face Off Over Licensing Practice

High Court Split on Forcing Patent Office to Cover All Arguments

Second Patent Case at Supreme Court Could Have Big Impact

U.S. Court Blocks Australian Order Against 'Stupid' Patent Blog

Lawyer's Music Comes from Public Domain Playlist

Sandra Bullock Movie Inspires Pizza Ordering Invention

Velcro's Video Asks Consumers to Stick to Hook-and-Loop

Judge Rules Jason Statham Movie Was Quite Good

MLB Plays It Safe With Players Nicknames, Trademarks

Kim Kardashian, Patent Infringer by Endorsement?