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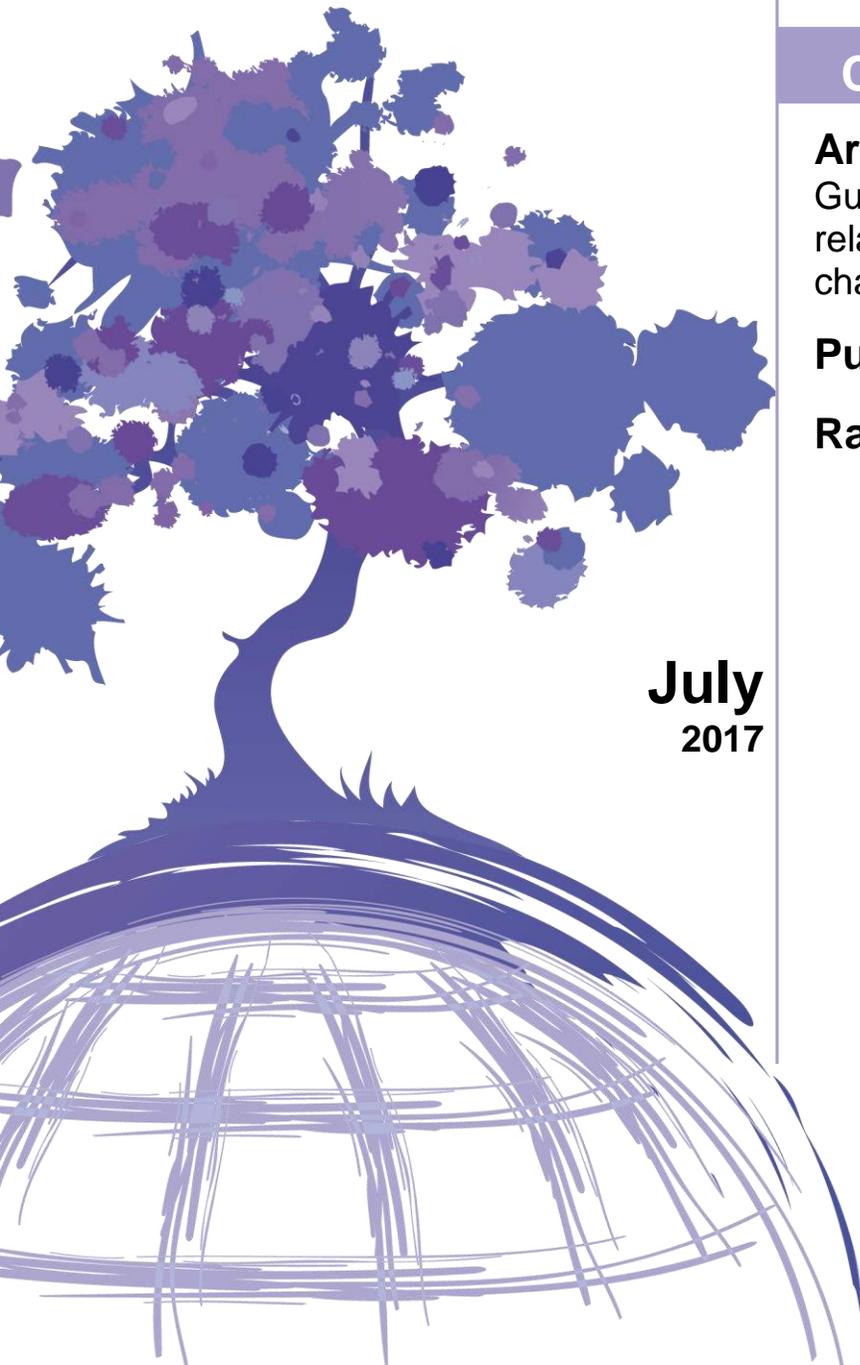
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Article

Guidelines for patentability of computer related inventions – Is this the final chapter?

By Prashant Phillips

The Patent Office has released another revised version of Guidelines for Examination of Computer Related Inventions (CRIs). The revised version thus modifies the Guidelines which were published in February 2016.

Patentability of computer-related inventions has been a contentious issue not only in India, but even in the United States where the bar for patentability for such subject matter was generally considered to be very liberal. Following the Supreme Court's decision in *Alice Corp. v. CLS Bank International*, the USPTO has released various guidelines and examples to provide better guidance to applicants and examiners alike, faced with issues pertaining to the patentability of computer related inventions.

Initially released in 2013 as a draft, the first Guideline issued in August 2015 by the Indian Patent Office was revised in February 2016. The Guidelines released in February 2016, which was perhaps perceived to be the most restrictive, required the presence of 'novel hardware' as one of the criteria for assessing patentability under Section 3(k) of the Patents Act. The present revision has, however, removed this requirement and further clarifies the position on the patentability of computer-related inventions.

Overview of the Guidelines

Computer programs

Although few, the changes as a result of the recent revisions are bound to have a substantial impact as to how the patentability is to be assessed now when compared with the tests proposed by the previous version. The recent

revisions have completely removed 'novel hardware' requirement. In addition, presence of *contribution lying both in the computer program as well as hardware* has also been withdrawn as the other requirement for assessing patentability of computer-related inventions under Section 3(k) of the Act. The 'novel hardware' requirement had created much debate. The legal validity of this requirement was also questioned particularly in the context of the decision of the IPAB in the case of *Accenture Global Service GmbH v. The Assistant Controller of Patents and Designs & Others*. The IPAB in the case of *Accenture* had specifically held that the requirement of a 'novel hardware' is neither prescribed by the Act, nor by the Rules or the Manual of Patent Practise and Procedure.

The Guideline (both the previous and the present version) proposes that patentability under Section 3(k) is to be assessed based on the substance of the underlying invention rather than its form.¹ The Guidelines continues and emphasizes the need for examining the claims as a whole in order to *judge* the substance of the invention. As per the Guidelines, if the substance of the claims falls within any excluded category, the subject matter would not be patentable. Determination of the substance of the claim is to be done by construing the claims². Once the claims have been construed and the substance of the claims determined, it may be assessed whether the substance of the claims falls within the category of a computer program per se. The

¹ Section 4.5 of the Guidelines dated 30 June 2017

² Section 4.4.3

Guidelines also refers the observations of the Joint Parliamentary Committee while deliberating on amendments to the Patents Act clearly indicating that any subject matter involving a computer program that includes *certain other things ancillary thereto and developed thereon* would be allowable if they are inventions. Although not further clarified, it may be concluded that subject matter involving computer-related inventions cannot be held as non-patentable solely because they are implemented using computer programs.

Besides the 'substance over form' test, the Guidelines further provide broad categories of subject matter which would qualify as computer program per se, and hence would not be patentable:

- (i) Claims directed at computer programmes/ set of instructions/ Routines and/or Sub-routines.
- (ii) Claims directed at "computer programme products" / "Storage Medium having instructions" / "Database" / "Computer Memory with instruction" stored in a computer readable medium

The above categories specifically list claims which are directed to software code or any media embodying such code, would be held as non-patentable.

By and large, and particularly owing to the omission of the 'novel hardware' requirement, it appears that the Guidelines are more liberal in determining the applicable standard for *computer program per se*.

The present version of the Guidelines is definitely a step in the positive direction, particularly for innovation in the field of computing and software technology. Moreover, the basis for assessing patentability appears to be similar to that applied in foreign jurisdictions such as the United Kingdom. This appears to be logical considering that the provisions in the UK Patents Act of 1977 and the Patents Act have provisions

which are *pari materia*, and also appears to be consistent with the approaches laid down in various UK decisions³.

Business Method

The Guidelines emphasizes that use of business related terms such as "enterprise", "business", "business rules", "supply-chain", "order", "sales", "transactions", "commerce", "payment", or the like, in the specification or claims alone would not invoke the present objection. The Guidelines have provided a more objective standard for assessing whether the subject matter pertains to a business method. As per the Guidelines, if the claimed subject matter involves a specific apparatus or implements a technical process, then the subject matter would have to be examined as a whole. In such a case, if the substance of the invention does not relate to a business method then it is likely that the subject matter under consideration may be patentable. This also is consistent with the principles laid down by the IPAB in the case of *Yahoo v. Controller*. The IPAB in the case of *Yahoo* held the subject matter to be non-patentable as the 'technical advance' of the claim fell within the excluded category, i.e., was a business method.

The Guidelines make it clear that only if the subject matter is essentially focusing on business related activities would not be patentable.

Algorithm

The Guidelines unfortunately still do not provide any specific clarity in this regard. As per the present wording, any step or series of steps intended for solving a problem would be excluded under Section 3(k). It is quite clear that such a sweeping conclusion would not have been intended. However, so far the Controllers have not been applying this interpretation literally.

³ *Symbian Limited v. Comptroller General of Patents and Aerotel Ltd. v Telco Holding Ltd and others*, and Neal William Macrossan's application [2006] EWCA Civ 1371 (27 October 2006)

Mathematical Methods

The recent revisions have also further clarified the position in relation to mathematical methods. The Guidelines have clarified that mere presence of a mathematical formula in a claim may not necessarily be a “mathematical method” claim. The Guidelines further provide that inventions may include mathematical formulae but result in systems implementing technical processes such as encoding, reducing noise in communications/ electrical/electronic systems or encrypting/ decrypting electronic communications, would be patentable and not be treated as mathematical methods. This change is likely to reduce objections which were being raised for such invention.

Other aspects

The Guidelines have provided various bases for determining novelty, inventive step, industrial applicability and sufficiency as well. These seem to be generally consistent with legal principles in

this regard. The revisions have also removed all illustrative examples. As would be recalled, the examples exemplified only such subject matter which was held to be non-patentable. None of the examples provided any examples reciting subject matter which is patentable under section 3(k). Although dropping the negative examples is generally desirable, inclusion of certain positive examples would have aided examiners during the substantive examination of the applications.

Conclusion

The present Guidelines are definitely a step in the positive direction and are least controversial. These Guidelines will encourage filing of patent application in India in the field of computer-related inventions and will also work towards reducing the ambiguity in the present area.

[The author is a Partner, IPR Practice, Lakshmikumaran & Sridharan, Delhi]



Public Notice

Automatic generation and issuance of patent certificates

The process for generation and issuance of patent certificates has been fully automated in India now. According to Public Notice No. CG/Public Notice/2017-18/Patents/6, dated 3-7-

2017, the patent certificates would be generated through an automated system after the grant of the patent. The certificate would then be sent to the applicant or his authorised patent agent on record, by e-mail. The same would also be available at the official website of the IPO along with the status of the application concerned.



Ratio decidendi

US Trademark provision preventing registration of disparaging marks is unconstitutional

US Supreme Court has upheld the judgement of the Federal Court wherein the lower court found

the disparagement clause in the US trademark provisions (Lanham Act) to be unconstitutional under the First Amendment’s Free Speech Clause. The provisions in question prohibit registration of trademarks that may disparage or bring into contempt or disrepute any persons,

living or dead [15 U. S. C. §1052(a)]. The Applicant, a rock band had sought registration of words “THE SLANTS”, which is slang, derogatory term used for persons of Asian descent. The USPTO had refused to register said mark as a federal trade mark, relying in part on numerous dictionaries defining ‘slants’ as a derogatory or offensive term, and that the band’s name was found offensive number of times earlier. The Court however observing that the registration of the mark does not constitute approval of the mark, held that trademarks do not represent government speech. The Court was of the view that it is far-fetched to suggest that the content of a registered mark is government speech. It was also held that the disparagement clause was not “narrowly drawn” to drive out trademarks that support invidious discrimination, and that it went much further than was necessary to serve the interest asserted. [*Matal, Interim Director, United States Patent and Trademark Office v. Tam* - No. 15–1293, decided on 19-6-2017]

No reputation attached to title of film yet to be released

In a case involving passing off in title of the film yet to be released, the Bombay High Court has declined to grant any interim relief finding it difficult to conceive of a reputation attached to a non-existent thing. The Plaintiffs were the producers of the film then in the making, “Veere Di Wedding”, and had secured the registration of this title with the Film Writer’s Association and the Indian Film and Television Producers Council. The Defendants on the other hand proposed to release another Hindi film with the title “Veere Ki Wedding” starring a different actor. The Single Judge held that the plaintiff failed to establish the twin criteria of reputation and misrepresentation. As evidence of reputation and goodwill the plaintiff relied on articles in several newspapers, and huge amount of expenses incurred on production of the film. The Court however held

that the Plaintiffs failed to establish reputation in respect of a film that is yet to be released and that there is no case of deception inasmuch as the consumers were not likely to be deceived on watching the Defendant’s movie and assuming that it is the Plaintiff’s movie, as there was difference in the two lead roles. [*Anil Kapoor Film Co Pvt. Ltd. v. Make My Day Entertainment* – Order dated 4-5-2017 in Notice of Motion (L) No. 1076/2017 in Suit (L) No. 319/2017, Bombay High Court]

Promise Doctrine not correct approach to determine whether patent has sufficient utility

Canadian Supreme Court has rejected the applicability of the “promise doctrine” in relation to the utility requirement under the Canadian patent law. The patent claimed that the optically pure salts of esomeprazole reduce stomach acid. Action for patent infringement was initiated when the respondents sought to sell a generic version of the patented drug. The respondent however filed a counterclaim asserting invalidity of the suit patent. At first instance, the suit patent was found to be novel and inventive, but lacking utility because while the patent proved to be useful for some purposes, it was invalid because “it promised more than it could provide” (The Promise Doctrine). The Federal Court of Appeal dismissed appeal filed by the patentee. However the Supreme Court allowed the appeal holding that the application of the Promise Doctrine is not the correct approach to determine whether a patent has sufficient utility. It was also held that the drug for which the patent was granted was useful as a PPI, and thus it was an “invention” under s. 2 of the Patent Act. It also observed that to invalidate a patent solely on the basis of an unintentional overstatement of even a single use will discourage a patentee from disclosing fully, whereas such disclosure is to the advantage of the public. The Court was of the view that a

single use related to the nature of the subject-matter is sufficient, and that utility must be established by either demonstration or sound prediction as on the filing date. [*AstraZeneca Canada Inc. v. Apotex Inc.* – Judgement dated 30-6-2017, Supreme Court of Canada]

Design – Novelty can be claimed only when significant change present

Calcutta High Court has upheld the Order of the Controller wherein the controller had cancelled the registered design in respect of 'Bottle Cap' in Class 09-01. The Court was of the view that ordinarily, the Appellate Court should not interfere with the finding of the controller unless it is found that the latter had proceeded on some wrong principle. It was held that the controller must, *prima facie*, be the judge of novelty having

regard to its knowledge and experience in the matter.

Relying upon some prior published documents which showed almost similar features, if not identical, it was held that the impugned design was already taught by the publication prior to its registration. The test of "Oh! I have seen before", as provided in *Dart Industries Inc. and Another v. Techno Plast and others*, 2007 (35) PTC 129 (Del), was also relied in this regard by the Court here. It was held that in order to claim novelty, there has to be a significant change or difference in the design, although, it may have a common source, and that a mere trade variant without significant and substantial noticeable features would destroy novelty. [*Anuradha Doval v. Controller of Patents and Designs* - AID No.1 of 2015, decided on 13-4-2017, Calcutta High Court]

NEW DELHI

5 Link Road, Jangpura Extension,
Opp. Jangpura Metro Station,
New Delhi 110014
Phone : +91-11-4129 9811

B-6/10, Safdarjung Enclave
New Delhi -110 029

Phone : +91-11-4129 9900

E-mail : lsdel@lakshmisri.com

MUMBAI

2nd floor, B&C Wing,
Cnergy IT Park, Appa Saheb Marathe Marg,
(Near Century Bazar)Prabhadevi,
Mumbai - 400025

Phone : +91-22-24392500

E-mail : lsbom@lakshmisri.com

CHENNAI

2, Wallace Garden, 2nd Street
Chennai - 600 006

Phone : +91-44-2833 4700

E-mail : lsmds@lakshmisri.com

BENGALURU

4th floor, World Trade Center
Brigade Gateway Campus
26/1, Dr. Rajkumar Road,
Malleswaram West, Bangalore-560 055.

Ph: +91(80) 49331800

Fax:+91(80) 49331899

E-mail : lsblr@lakshmisri.com

HYDERABAD

'Hastigiri', 5-9-163, Chapel Road
Opp. Methodist Church,
Nampally
Hyderabad - 500 001

Phone : +91-40-2323 4924

E-mail : lshyd@lakshmisri.com

AHMEDABAD

B-334, SAKAR-VII,
Nehru Bridge Corner, Ashram Road,
Ahmedabad - 380 009

Phone : +91-79-4001 4500

E-mail : lsahd@lakshmisri.com

PUNE

607-609, Nucleus, 1 Church Road,
Camp, Pune-411 001.

Phone : +91-20-6680 1900

E-mail : ls pune@lakshmisri.com

KOLKATA

2nd Floor, Kanak Building
41, Chowringhee Road,
Kolkatta-700071

Phone : +91-33-4005 5570

E-mail : lskolkata@lakshmisri.com

CHANDIGARH

1st Floor, SCO No. 59,
Sector 26,

Chandigarh -160026

Phone : +91-172-4921700

E-mail : lschd@lakshmisri.com

GURGAON

OS2 & OS3, 5th floor,
Corporate Office Tower,
Ambience Island,
Sector 25-A,

Gurgaon-122001

phone: +91-0124 - 477 1300

Email: ls gurgaon@lakshmisri.com

ALLAHABAD

3/1A/3, (opposite Auto Sales),
Colvin Road, (Lohia Marg),
Allahabad -211001 (U.R)

phone . +91-0532 - 2421037, 2420359

Email:lsallahabad@lakshmisri.com

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