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Article

Software inventions - Examining patentability

By **Dr. Mukundan Chakrapani**

The Indian Patent Office recently released the final version of the Guidelines for Examination of Computer Related Inventions¹. They offer much needed clarity on the vexing issue of determining subject matter eligibility of Computer Related Inventions (“CRI”), a.k.a. software inventions. A standout feature of the final Guidelines is its singular focus on the core issue of providing directions to Patent Examiners in the examination of applications directed to CRIs.

Setting a positive tone from the outset, the Guidelines seek to determine patent-eligible subject matter based on considering ‘the claims, taken as a whole’ and not denying a patent if in substance the claims “do not fall in any of the excluded category.”²

Even in the determination of patent eligibility of claims directed to mathematical and

business methods, which have an absolute bar under Section 3(k), the Final Guidelines urge the Examiners to consider the claim as a whole before rejecting the claims. Specifically, the Final Guidelines states that the mere recitation of a mathematical formula in a claim “would not necessarily render the claim to be a mathematical method.”³ Similarly, the mere usage of business-related terminology, such as enterprise, business rules, supply-chain, commerce, transactions, payments, etc., “should not lead to the conclusion of a Computer Related Invention being just a ‘Business Method.’”⁴

The Final Guidelines clearly identify two categories of claims as being directed to computer programs *per se*, and hence patent ineligible.⁵

Ineligible Claims under the Final CRI Guidelines

- (i) Claims directed at computer programs/ set of instructions/ Routines and/or Sub-routines written in a specific language
- (ii) Claims directed at “computer programr products” / “Storage Medium having instructions”/ “Database” / “Computer Memory with Instruction” i.e. computer programs *per se* stored in a computer readable medium.

¹ Guidelines for Examination of Computer Related Inventions published by the Indian Patent Office on August 21, 2015. Online: http://www.ipindia.nic.in/iponew/CRI_Guidelines_21August2015.pdf. Last accessed September 15, 2015 [Final Guidelines].

² Final Guidelines, *supra* note 2 at Section 4.5, page 10. The positive tone is evident when one considers the “Form and Substance” discussion at Section 6 of the Draft Guidelines, which emphasis the exclusion aspect of the determination.

³ *Ibid.*, at Section 4.5.1, page 10.

⁴ *Ibid.*, at Section 4.5.2, page 11. It is significant to note that the Patent Office has taken note of the comments from stakeholders in response to the Draft Guidelines. See, for example, the comments from Tata Consultancy Services on the Draft Guidelines, page 2. Online: http://ipindia.nic.in/iponew/CRI_Comments_Feedbacks/related_doc/TCS%20Response%20to%20Draft%20CRI%20Guidelines.pdf. Last accessed September 15, 2015.

⁵ *Ibid.*, at Section 4.5.4, page 11.

These exclusions are based on the views expressed by the JPC on the 2002 Amendments

with respect to the term “*per se*” used in conjunction with computer programs.⁶

Excerpt from the JPC Report

In the new proposed clause (k) the words “*per se*” have been inserted. This change has been proposed because sometimes the computer program may include certain other things, ancillary thereto or developed thereon. The intention here is not to reject them for grant of patent if they are inventions. However, the computer programs as such are not intended to be granted patent. This amendment has been proposed to clarify the purpose.

In view of the legislative intent as evident above, the Final Guidelines direct the Examiners that when claims are not directed to a computer program “in itself,” have industrial applicability and fulfill other criteria for patentability, then “the patent should not be denied.”⁷

When assessing claims involving computer programs, the Final Guidelines identify three determinants, any one of whose presence is an indication of patent eligible subject matter.⁸ The first two determinants, namely, novel hardware and novel hardware in conjunction with a novel computer program are straight forward and need no further discussion. However, the third determinant – novel computer program with known hardware, under which a majority of computer related inventions would fall,

requires further consideration.

Unlike the Draft Guidelines, the Final Guidelines do not outright reject the claims directed to a novel computer program with a known hardware. Instead, they focus on the interactions between the novel software and the known hardware. When such interactions go beyond “normal” interactions, and bring “a further technical effect,” the claims may not be considered as excluded subject matter under Section 3(k).⁹

The Final Guidelines set out a six pronged test to ascertain whether claims have the requisite technical advancements to escape the exclusion under Section 3(k).¹⁰ If a claim under examination satisfies *any one* of the six prongs, then the claim does not fall within the purview of Section 3(k).¹¹ The Final Guidelines direct the

⁶ Report of the Joint Parliamentary Committee on the Patents (Second Amendment) Bill, 1999, presented to the Rajya Sabha on December 19, 2001. Online: <http://164.100.47.5/webcom/MoreInfo/PatentReport.pdf>. Last accessed September 15, 2015.

⁷ Final Guidelines, *supra* note 2 at Section 4.5.4, page 12.

⁸ *Ibid.*, at Section 5.1, page 13.

⁹ *Ibid.*

¹⁰ *Ibid.* at Section 6.1, pages 13-14.

¹¹ *Ibid.* at Section 6.1, page 14.

Examiners to assess the technical advancement in the claimed subject matter. If the technical advancement or technical contribution is on a process outside the computer environment, at the architecture level of a computer, or is by way of a change in the hardware or the functionality of the hardware, then the claim is patent eligible. Moreover, if the technical contribution of a claim results in the computer

being made to operate in a new way or makes it a “better computer,” then the claim is patent eligible. Also, if any changes in the hardware or the functionality of the hardware amount to a technical advancement, then the claim cannot be excluded under Section 3(k). These factors are analogous to the factors identified by the UK High Court in the matter of *AT&T and CVON v. The Comptroller General of Patents*.¹²

Factors Determinative of Technical Advancement

- (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 Final Guidelines provide a rational and cogent analysis for the determination of patent eligible subject matter under Section 3(k) for mathematical and business methods as well as for computer programs *per se*. However, the Final Guidelines fall short in providing the same level of direction when dealing with algorithms.

The definition of algorithm provided at Section 3.1 and the discussion of claims directed at algorithms at Section 4.5.3 of the Final Guidelines lack specificity. For example, algorithm is defined as “a set of rules that must be followed when solving a particular problem,” based on the definition provided in the Oxford Advanced Learner’s Dictionary.¹³

¹² AT&T Knowledge Ventures, CVON and the Comptroller General of Patents, [2009] EWHC 343 (Pat), paragraph 40.

¹³ Final Guidelines, *supra* note 2 at Section 3.1, page 5.

However, according to the discussion at Section 4.5.3, an algorithm is not just limited to a set of rules, but also includes “a set of procedures or any sequence of steps or any method expressed by way of a finite list of defined instructions.”¹⁴ The Final Guidelines also imply that algorithms in all forms, “whether for solving a problem or otherwise, and whether employing a logical, arithmetical or computational method, recursive or otherwise, are excluded from patentability.”¹⁵ This is somewhat contradictory to the otherwise uniform approach of considering the “claim as a whole” in determining whether “in substance,” a claim is directed to an excluded category.

However, Example 8.9 of the Final Guidelines offers some direction when dealing with subject matter allegedly directed to an algorithm.¹⁶ The Intellectual Property Appellate Board (IPAB) held that “when the claims do not claim, or contain any algorithm or its set of rules as such, but only comprise of some process steps to carry out a technical process or achieve a technical effect [...] the objection that invention is not patentable under section 3(k) fails or [is] not valid.”¹⁷ Thus, we can hope that the IPAB decision along with the six prong test for the assessment

of technical advancement discussed earlier will be considered in the assessment of whether a claim is directed to an algorithm.

Conclusions - Practical Considerations

The provisions under Sections 3(k), 3(m) and 3(n) are not unique to India. Article 52 of the European Patent Convention includes similar provisions for delineation of patent ineligible subject matter. With the coming into force of the Final Guidelines, we hope that the Indian Examination practices for determination of patent eligible subject matter are better aligned with those followed by the European Patent Office. Although the United States does not have an explicit exclusion list in its patent statutes, the USPTO practice for assessing the judicial exceptions under 35 USC 101 post *Alice* are moving towards the European framework. As such, there appears to be a harmonizing trend in the examination of computer related inventions.

Patent drafters and prosecutors would be well advised to familiarize with these developments in order to secure the best scope of protection for patent applicants across jurisdictions. When drafting a single patent application for multiple jurisdictions, it may be worthwhile to have common minimum standard for computer related applications.

¹⁴ *Ibid.*, at Section 4.5.3, page 11.

¹⁵ *Ibid.*

¹⁶ *Ibid.* at Example 8.9, page 18

¹⁷ *Ibid.*, citing IPAB Order 224/2010 at page 55. Online: <http://www.ipabindia.in/Pdfs/Order-224-10-ORA-20-09-PT-CH.pdf>. Last accessed September 15, 2015.

Practical Context/Application – Some pointers

The specification should set out the computer related invention in a practical context or a practical application. For example, inventions relating to Big Data analytics may be tied to specific applications of the analytics. The specific applications could be in disaster management, traffic control, power grid optimization, or the like. Tying the underlying method to such practical applications may help an Examiner better relate to and understand the underlying concepts.

Interactions with Hardware Elements

The specification should intertwine hardware elements with the software features of the invention throughout. Standalone stock description of hardware elements either preceding or following the description of the software implemented invention only lends credibility to the argument that the claims are directed to software *per se* and implemented using a general purpose computer. Also, specific functional hardware elements such as transmitters, receivers, signal processors etc. should be described than merely reciting standard elements such as CPU, memory, database, input/output devices.

Technical Problem

More and more emphasis is being made on the nature of the problem being solved by an invention. The Examiners are looking to set up a technical problem based on their understanding of the description and/or the claims. Why not make their tasks simpler by explicitly identifying a technical problem in the specification?

Technical Effects

Many a times, the description and the claims are oriented to the technical problem and the technical solution. The technical effects of the claimed solutions are only implicitly discernable. Describing the technical effects explicitly in the specification would assist during prosecution of the application without having to rely on standard or stock phrases such as better efficiency, improved performance, or lower power consumption etc.

The Final Guidelines are a vast improvement over the draft version. It is believed that these Guidelines will go a long way in achieving the Patent Office's stated goal of fostering uniformity and consistency in the examination of computer related inventions.

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

Ratio Decidendi

Design infringement – Combination of various factors available in public domain

In a case involving design and copyright infringement combined with a cause of action

in passing off, the Bombay High Court has granted interim injunction to the petitioner. The dispute involved specific design of the crayons. There are four key elements to the

products: their triangular shape, that they are erasable; that they are sharpenable; and that they have a non-slip grip. Though no claim of any monopoly on any of these was put up by the petitioner, what was claimed was that the combination of all these facets in this particular manner and presentation goes beyond the merely functional aspect. It was claimed that it is entirely aesthetic and novel, and unique to the petitioner.

Finding the case to be an egregious case of passing off, the court dismissed the plea of the defendant that they have only put all of the public domain matter (the triangular shape, the raised dots, the sharpenable aspect, the erasability, the alignment in the trays, the dress and so on) together, and that it is only coincidental that the end result of defendant's efforts happens to mirror that of petitioner's. Contention of the defendant that the raised dots in the crayons of the defendant and that of the petitioner are only functional, was also rejected by the court finding that there was nothing to suggest that the functionality of a better grip is afforded by or only by the twin series of parallel lines of dots extending only to a specific extent or length. Further the contention that the dots in the product of the defendant are somewhat squarer than those in the petitioner's crayons, was rejected as an insignificant distinction. [*Faber-Castell Aktiengesellschaft v. Cello Pens Pvt. Ltd.* - Notice of Motion (L) No. 1824 of 2015 in Suit (L) No. 696 of 2015, decided on 2/3-9-2015]

Territorial jurisdiction of High Court in *quia timet* action

Delhi High Court has upheld the single Judge Bench decision dismissing the application of the defendant in the suit in the nature of *quia timet* action (visualizing apprehended injury), where in the defendant had challenged the Court's territorial jurisdiction. The Court did not find any force in the contention of the appellant-defendant that they were located within the jurisdiction of different Court and that did not have any commercial interest - an office, distributor or sole selling agent within the territorial jurisdiction of the Court. It observed that the single Judge had taken into consideration the fact that the appellant-defendant intended to supply API to various generic manufacturers in India and abroad and had numerous commercial arrangements by virtue of which they supply bulk API especially oncology APIs to various generic companies located within the jurisdiction of the Court.

The Single Judge had held that *prima facie* there was cause of action for the territorial jurisdiction of the court. The impugned Order had also held that plaintiff was not obliged to name specific customers of the defendants' products and the assertion that the latter offered oncology APIs which could include infringing products in the future, were sufficient averments to constitute cause of action, within territorial jurisdiction of the court. [*Shilpa Medicare Limited v. Bristol-Myers Squibb Company* - FAO (OS) 96/2014, decided on 30-7-2015]

Patent Office decisions

Patents-Clinical comparative data or clinical trial as test for establishing therapeutic efficacy under Section 3(d): The Indian Patent Office in Kolkata has held that if incremental invention fails to show the therapeutic efficacy through clinical comparative data with regard to similar substances, then Section 3(d) of the Patents Act, 1970 would hinder the grant of patent under the said provision. It was held that since the application did not address the enhanced therapeutic efficacy with regard to prior art compounds through clinical trial of the subject compounds, the application failed to address the Section 3(d) and remained as derivatives of known substances. The Assistant Controller of Patents and Designs also concluded there was no endeavour to substantiate the anti-tumor activity of the claimed compounds through clinical trial initially except trial for addition of appendix during proceedings with regard to prior art compounds. The subject application as submitted initially was also found to be lacking in disclosure and it was held that appendix submitted later on as part of specification is the afterthought of the applicant where further experiments are carried out in order to address objections raised during proceedings. [Patent bearing number 2479//KOLNP/2009, decided on 14-9-2015]

Divisional patent application not to be duplication of mother application: Stating that the concept of divisional application is basically to protect multiple inventions, the Patent Office, Kolkata refused the divisional patent application for active ingredient useful for treatment of cancer. In the instant case, though plurality of invention was claimed in the mother application, on facts, the divisional application was largely a duplication of the mother application. Further the applicant amended the claim deleting certain claims granted under the mother application. The Patent Office was of the opinion that a mere change or amendment in the claims by narrowing down the claims of mother application through Form 13 under Section 59 of the Patent Act does not fulfil the requirements since the complete specification cannot include any matter disclosed in the complete specification filed in pursuance of the first application. Also as per Section 16(3) neither of the complete specifications should include a claim for any matter claimed in the other. [Patent Application No.4814/KOLNP/2007 dtd. 11/12/2007, decided on 26-8-2015]

News Nuggets

When approaching a different forum is not bench hunting

In an interesting development in the challenge to the constitutional validity of certain provisions of Indian copyright law,

the Delhi High court made certain important observations on the provision of Civil Procedure Code (CPC). The vires of various

amendments to the Copyright Act, 1957 and the Copyright Rules 2013, including the provisions for issue of compulsory license are under challenge. As regards the *vires* of the sections, the copyright holders contend that the amended provisions give wide powers to the Copyright Board apart from depriving the copyright owners any control as to who should be the licensee(s) of their work.

In *Super Cassettes v UOI & Anr*, CM.No.6353/2015, (Delhi HC decision dated 7-8-2015), observing that the petitioners were assailing the constitutional validity of the provisions of a statute and not seeking determination of their individual rights, the Delhi High Court permitted them to withdraw their petition. The applicants in the instant case sought leave of the court to withdraw their writ petition citing that they intended to join the proceedings in the High Court of Calcutta where arguments were being heard regarding the same subject matter in another petition. The interveners argued that the petitioners were indulging in forum hunting and they could not be allowed to invoke the writ jurisdiction of another high court after withdrawing from one High Court.

However the Delhi High Court held that it could exercise its discretion under Rule 1 of Rule 23 of CPC to decide if there was sufficient cause to permit withdrawing of the suit and institute a fresh suit. It opined that in the instant case, the petitioners had already filed petitions for intervening in the writ petition pending on the file of High Court of Calcutta and they did not appear to have any *malafide* intention in withdrawing the petition before the Delhi High Court.

Single design application for all articles under a class

The Indian patent office has clarified on 18-8-2015 that a single application is sufficient for registration of designs even if it contains more than one article but all of them are covered under the same class. Thus, these articles may come under one or more sub-classes but single application would be sufficient. This clarification has been issued based on the provisions contained in Section 6(1) of the Designs Act, 2000 and Rule 11(2) of the Designs Rules, 2001. It has also been clarified that separate application would be required if registration is sought under more than one class for such articles.

NEW DELHI

5 Link Road,
Jangpura Extension,
Opp. Jangpura Metro Station,
New Delhi 110014

B-6/10, Safdarjung Enclave
New Delhi - 110 029
Phone : +91-11-4129 9811
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. Maharashtra
Phone : +91-20-6680 1900
E-mail : lpune@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: lsgurgaon@lakshmisri.com

EUROPE

Lakshmikumaran & Sridharan SARL
35-37, Avenue Giuseppe Motta, 1202 Geneva
Phone : +41-22-919-04-30
Fax: +41-22-919-04-31
E-mail : lsgeneva@lakshmisri.com

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