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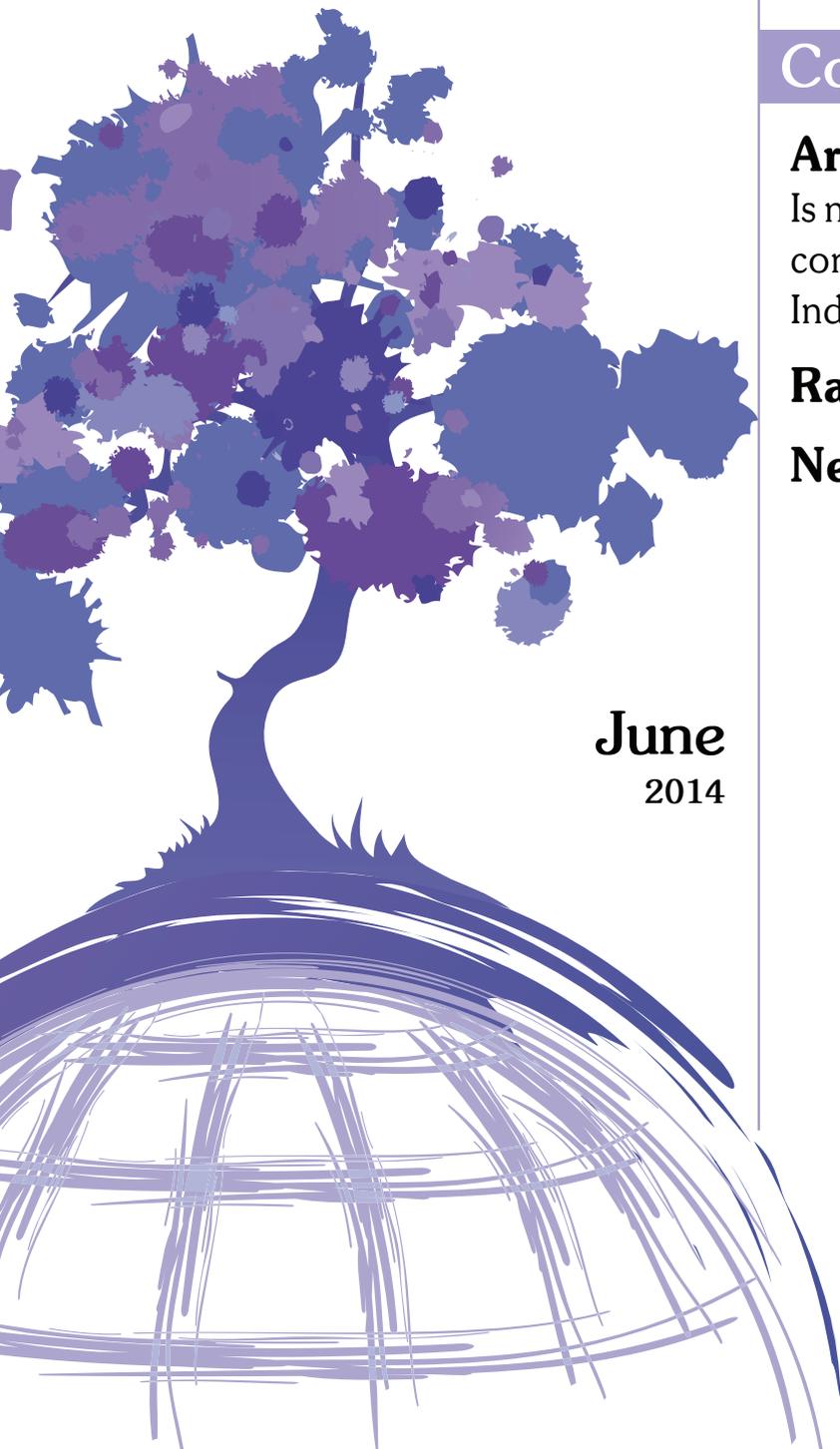
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Article

Is new hardware required for patenting computer implemented inventions in India?

By **Jaya Pandeya**

Introduction

Interpretation of Section 3(k) of the Patents Act, 1970 (the Act) that imposes an absolute bar on patentability of business methods, mathematical methods, algorithms and computer programs *per se* continues to remain a contentious issue for applicants and IP professionals in India.

The Manual of Patent Office Practice and Procedure (MPPP)¹ provides that computer programs stored in a computer readable medium are computer programs *per se* and are not patentable subject matter. Thus, while the MPPP establishes that hardware requirement for patenting software is beyond that of being stored on a computer readable medium, it fails to provide any additional guidelines as to what, if any, are the hardware requirements for patenting a novel software.

Further, the draft Guidelines for Examination of Computer Related Inventions (CRI)², published by the Indian Patent Office in June 2013, provides that a computer program loaded on a general purpose known computer or related devices, would be considered as “computer programme *per se*.” Further, the draft guidelines also stipulate a computer program claimed in conjunction with hardware will be allowed only if the claimed hardware is new or novel. In this

respect, the CRI guidelines direct the Examiners to carefully consider how the novel hardware is integrated with the computer program.

The draft CRI guidelines do not have the force of law, however, the strict requirement for a novel hardware it prescribes, has added to the apprehension that software inventions may not be patentable as per the Indian law. Although uncertainty relating to patentability of software inventions persists due to lack of jurisprudence in this regard, the following decision from the Intellectual Property Appellate Board (IPAB) highlights that the law does not mandate that, for software to be patentable, the software must execute on a novel hardware or even a specifically adapted hardware.

Accenture Global Service Gmbh v. The Asst. Controller of Patents & Designs & Others³

Accenture Global Service GmbH (Accenture), Applicant, filed patent application No. 01398/DELNP/2003 on 1 September 2003 for a system for developing Internet-hosted business applications. In the first examination report (FER), dated 29 January 2008, in addition to other grounds, the Patent Office objected to the claims under Section 3(k) of the Act. Further to the FER, the Applicant was given an opportunity

¹ Section 08.03.05.10 of the MPPP (<http://www.ipindia.nic.in/ipr/patent/manual/HTML%20AND%20PDF/Manual%20of%20Patent%20Office%20Practice%20and%20Procedure%20-%20pdf/Manual%20of%20Patent%20Office%20Practice%20and%20Procedure.pdf>)

² Section 5.4.5- 5.4.7 of the CRI Guidelines (http://ipindia.nic.in/iponew/draft_Guidelines_CRIs_28June2013.pdf)

³ IPAB Order 283 of 2012 dated 28 December 2012

to be heard by the Controller. During the hearing with the Controller, the Applicant submitted revised claims. Upon examination of said claims, the Controller issued an order rejecting the grant of the application.

The standard of examination of the claims used by the Controller was as follows:

- “A hardware implementation performing a novel function is not patentable if that particular hardware is known or is obvious irrespective of the function performed.
- If the novel features of the invention resides in a set of instructions (programme) designed to cause the hardware to perform the desired operations without special adoption of the hardware or modification of the hardware, then the matter claimed either alone or in combination is not patentable.”

The appellant challenged the decision of the Controller in the IPAB alleging that the above mentioned standard, applied for examining the claims, were neither specified in the Act nor the MPPP. Further, no Indian court had laid down such guidelines in any case. Agreeing with the Applicant, the IPAB observed that the standards applied by the Controller to refuse the application

were nowhere prescribed in Act, MPPP or in any guidelines from the courts and held the order to be based on “*ill founded premises and was far from being logical and reasonable*”. The IPAB remanded the application back to the Controller for reconsidering the patentability of the claims.

Upon reconsideration, the claims, without any significant amendments, were held to be not relating to software (computer program) *per se*. Rather the claims were found to relate to a system having an improvement in web services and software, and were allowed.

Conclusion

The decision of the IPAB reinforces that the law does not mandate the requirement of a novel hardware or a special modification or adaptation of an existing hardware for patentability. A hardware or computing system performing a novel function need not be novel and non-obvious in itself or need not be a special adaptation of an existing system for the software to be patentable subject matter in India.

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

Ratio Decidendi

Patents - No strict rule of presumption of validity

There is no presumption of validity attached to a patent and hence challenge to it in an infringement proceeding cannot be set aside by taking presumptive approach. Observing that in a counterclaim, the six year rule, as held in various judgments, will not help the patentee if the patent is otherwise *prima facie* found to

be invalid, the Delhi High Court has held that this rule (presumption of validity after six years) cannot be applied in all patent matters in general but depends on case to case, otherwise it would amount to rejection of the defence available under Sections 107 and 64 of the Patents Act.

While rejecting the grant of injunction during pendency of the trial, the court on the question of obviousness of the patent, *Flat Folded Personal*

Respiratory Device and process for preparing the same, after studying specified US Patents and an international application, held that it was obvious to a person skilled in the art to apply the solution with corresponding effect to the personal respiratory protection device. The court noting that mere showing of a substantial question of invalidity is sufficient at this stage, observed that the lines of demarcation, shape of the mask and ease of folding, are also available in the defendant's mask which were available prior to the date of application of the patent by the patentee. Four steps to be considered by the court in answering the question of obviousness were also laid down by the court while vacating the earlier *ex-parte* interim injunction order. [3M Innovative Properties Company v. Venus Safety & Health Pvt. Ltd. – Judgment dated 30-5-2014 in I.A. Nos. 20605/2013 & 1276/2014 in CS (OS) No. 2558/2013, Delhi High Court]

Suit by co-patentee against infringement

A co-patentee can file suit for infringement even if the other patentee is not a co-plaintiff, so long as the latter has no conflict of interest. In a suit by one of the patentees regarding infringement of patent and design of custom made prosthetics used in knee replacement for cancer patients, the High Court of Madras has held that the suit was maintainable even though one of the co-patentees was not a plaintiff. The defendants argued that the co-patentee (not party to the suit) was aware of the alleged infringing products and had acquiesced to its use by using the same in surgeries performed by him.

However, as regards infringement, it was held that though patents were valid no conclusive

evidence had been put forth to establish infringement. With regard to the patented product, the court traced the history of prosthetics and opined that just as the patentee was entitled to patent innovations, the defendant could claim distinguishing features of his product that shield them from infringement. The distinguishing features need not be patentable since the test for infringement was less rigid than that of inventive step. As regards design, each product was custom made and also no infringing materials or other evidence was placed before the court. Hence it could not be said that design *per se* had been infringed. [M.C. Jayasingh v. Mishra Dhatu Nigam Ltd. – Judgment dated 23-1-2014 in Civil Suit No. 562/2007, Madras High Court]

Trademarks – Incorrect advertisement required to be cancelled

Deliberating upon the importance of correct advertisement of the trademark, the Intellectual Property Appellate Board has directed the Registrar of Trade Marks to re-advertise the application for registration of the trade mark “Network Solutions” in class 38 and class 42. The case involved amendment of date of use in the registration application. While initially, the application was filed for proposed use, subsequently the date of user was sought to be changed to 1993 and 1998 in respect of different classes. The mark was however advertised in the Trade Marks Journal as ‘proposed to be used’ without any mention of amended date of use, and only a corrigendum pertaining to same was subsequently published. Noting that there could not be any question of opposition of corrigendum which is only a notification, the IPAB held that

the certificate of registration ought not to have been issued without re-advertisement. Relying on earlier order in the case of *Ashoka Dresses*, it was held that the purpose of advertisement in the Trade Marks Journal is to afford an opportunity to the aggrieved public to oppose grant of registration and hence it is necessary that clear and full information should be provided in such advertisement. It was held that the change in date of use, address, agent and use by predecessor, were material alterations and deserved to be brought to notice of public. Further contention of the respondent that re-advertisement was not asked for, was rejected by the Board noting that public interest is highly important in exercise of discretion by the Registrar or Board. [*Network Solutions Private Limited v. Network Solutions LLC* – Order dated 23-4-2014 in ORA/23/2011/TM/DEL, IPAB]

No inducement to infringe without direct infringement

Reasoning that protection under patent laws is for a set of claimed elements, the Supreme Court of USA has held that when there is no

direct infringement, a person cannot be liable for inducing infringement. Also, a method patent is not infringed unless all the steps are carried out. Several steps in the process of delivering electronic data through Content Delivery Network (CDN) were common to the process used by both the parties. At issue were certain steps called ‘tagging’ – storing of certain content on the service provider’s server – which was done by the petitioner’s customers who used its services. The respondents contended that though all steps of the process were not carried out by the petitioner, that is, there was no direct infringement, it had induced infringement by making the customers perform some of the steps. However, the Supreme Court did not agree to this view observing that if infringement was considered in part, a person who makes another perform one of more and not the entire process would still be liable as an inducer though there was no direct infringement. [*Limelight Networks Inc v. Akamai Technologies* – No. 12–786, decided on 2-6-2014, Supreme Court of the United States]

News Nuggets

Digital fair copies of copyrighted material

An opinion and a judgement, on either side of the Atlantic Ocean published within a span of five days dealt with exceptions from copyright available to institutions when books – copyrighted or otherwise were digitised and made available to the public.

In the case before CJEU, the Advocate General opined in Case C-117/13 on 5-6-2014

that Member States may authorise libraries to digitise, without the consent of the right-holders, books they hold in their collection so as to make them available at electronic reading points. The Technical University of Darmstadt, digitised books in its library and made them available at electronic reading points. The Advocate General opined that this was not

a violation of copyright and fell within the exception to copyright protection as available to publically accessible libraries which made the material available to users for research or study through dedicated terminals. However, permitting copying of the same on a USB storage device would be a violation. The CJEU will give its judgement on the case at a later date.

The Court of Appeal for Second Circuit in No. 12-4547-cv (*Hathi Trust* case), held on 10-6-2014 that doctrine of fair use allows libraries to create a full-text searchable database of copyrighted works and to provide the same in formats accessible to those with print disabilities. The US finding of fair use was based on transformative use in creating a fully searchable data-base, access to print disabled persons and the fact that no economic harm was caused to the potential market for/ value of the copyrighted work. The users could not view any portion of the books/material as such, therefore no new human readable copies were created. It is noteworthy that in November last year, the United States District Court of Southern District of New York upheld the plea of fair use by search engine Google, in scanning and providing verbatim snippets of text to aid in searching, and increasing access to books to disabled and remote populations.

Reasonable expectations on Non-Violate clause in TRIPS agreement

The USA has called for ending the moratorium on complaints based on the non-

violate clause in the TRIPS agreement. The Nullification of benefits clause or non violate clause (NV clause) as provided in Article XXIII enables a member to bring a complaint against another who has by any measure, which even while not in violation of WTO agreements, has nullified or impaired the benefits due to the member bringing action. The NV clause was not to come into effect for five years after the TRIPS agreement entered into force. However, after this period there have been diverging opinions on permitting complaints based on the NV clause under TRIPS and even in the Bali session, it was decided to maintain status quo till 2015. It has been argued that TRIPS is not a market access agreement and measure like taxation, compulsory licensing in pharma, which would be in compliance with other WTO agreements may still impair benefits which may accrue under the agreements. Another argument is that the text is vague incorporation of terms like 'existence of any other situation' which impairs benefits.

In its communication to the WTO dated 10-6-2014, the USA has advanced a view that the NV clause is part of the agreement, has been consented to by the members and should be brought into force without further delay. It argues that TRIPS also relates to market access and the NV clause provides an important remedy to address impairment of legitimate/reasonable expectations of negotiating members. Further the good faith or *pacta sunt servanda* principle is not enough to protect interests of members.

Steering clear of the penalty area

Navigating through the FIFA public guidelines, dribbling and dodging on how not to infringe the IP rights of FIFA pertaining to the 2014 World Cup is a work out in itself. The guidelines list 2014 FIFA World Cup Brazil, Soccer World Cup, Brazil 2014 among protected terms, advise against using official mark while presenting editorial content along with marks of a third party and also state that the match schedules are copyright

protected. Match schedules may be published only without any unauthorised commercial branding, by newspapers/ media. The marks may not be used as part of in-store decoration. The guidelines also suggest 'getting involved' in promoting grass roots football and conducting general football promotions benefitting from 'increased general attention to football in the host country' without referring to the FIFA World Cup.

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