

**COMMENTS ON DRAFT GUIDELINES FOR EXAMINATION
OF
COMPUTER RELATED INVENTIONS (CRI's)**

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From:

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This is with reference to the Guidelines for Examination of Computer Related Inventions (the Guidelines) for which comments have been invited by the Patent Office by July 26, 2013. It is requested that some additional time be allowed for more detailed submissions.

Our brief comments in the matter are as follows: –

1. Interpretation of Statutes [Section 2 (1) (j) and Section 3(k) of the Indian Patents Act, 1970 (the “Act”)]

1.1 Reference is made to the following principle of interpretation of statutes: ‘Exception to a rule is generally interpreted strictly and not in a manner that would nullify or destroy the main provision.’ (See *T. Devadasan v. Union of India*, AIR 1964 SC 179)

1.2 Section 2 (1) (j) defines what inventions are as follows: –

2. Definitions and interpretation

(1) In this Act, unless the context otherwise requires,—

[(j) "invention" means a new product or process involving an inventive step and capable of industrial application

1.3 Section 2(1) (j) was introduced by the Patents Amendment Act, 2002, with an aim of making the Indian Patent Act compliant with India’s TRIPS (Trade Related Aspect of Intellectual Property Rights) obligations and particularly Article 27 (1), which reads as:

Article 27: Patentable Subject Matter

1. *Subject to the provisions of paragraphs 2 and 3, patents shall be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application. (5) Subject to paragraph 4 of Article 65, paragraph 8 of Article 70 and paragraph 3 of this Article, patents shall be available and patent rights enjoyable without discrimination as to the place of invention, the field of technology and whether products are imported or locally produced.*

1.4 Section 3 of the Act carves out exceptions to inventions under Section 2(1) (j) and section 3(k) is accordingly an exception to the rule. The Guidelines acknowledge this in Section 5.4.3. Accordingly, Section 3(k) must be interpreted strictly and not in a manner that would nullify or destroy section 2(1) (j) and especially not in a manner that would discriminate against any field of technology.

2. Section 2 of the Guidelines: – Background (Statutory Amendments)

- 2.1 While the Guidelines map the history of Section 3(k), they do not consider the legislative intent behind the introduction of the section. The legislative history of the inclusion of this subsection in its present version tells an interesting tale. The subsection was first incorporated by the Patents (Second Amendment) Bill 1999 (the Bill), without the phrase “*per se*” qualifying computer programs. The Bill was subsequently referred to a Joint Committee by the Indian Parliament for their comments and suggestions. Upon the recommendation of the Committee, the phrase “*per se*” was introduced as a qualifier for computer programs. The Joint Committee further clarified that the intention behind the revision was not to reject inventions outright merely because they were based on a computer program. Indeed, the Committee appeared to have had every intention – and stated as much – to allow inventions which included certain other features ancillary to or developed on a computer program. Unfortunately, no guidance was offered on interpretation of these words. It should be noted that no mention of any “hardware” limitation was made. Of equal significance was the lack of clarity surrounding the term algorithm, which is statutorily excluded from patentability
- 2.2 The intention behind introduction of the phrase “*per se*” in Section 3(k) should be considered while defining the Guidelines for interpretation of the section.

3. Section 3 of the Guidelines: Terms and Definitions

- 3.1 The guidelines define “Technical Effect” in section 3.15 as: –
- ‘a solution to a technical problem, which the invention taken as a whole, tends to overcome’
- 3.2 The guidelines define ‘Technical Advancement’ as: –
- ‘contribution to state of art in any field of technology’
- 3.3. However, the guidelines add the following proviso to the definition of ‘technical advancement’: –
- “It is important to divide between software which has a technical outcome and that which doesn’t, while assessing technical advance of the invention.”
- 3.4 There are several objections to these definitions, some of which are as follows: –
- 3.4.1 The guidelines at some place mention ‘technical advance’ and at some place mention ‘technical advancement’. As the Act mentions ‘technical advance’, it would be useful to stick to this term throughout.
- 3.4.2 It is not clear what constitutes ‘technical outcome’. If the term ‘technical outcome’ has the same meaning as ‘technical effect’, then that term should preferably be used for consistency.

3.4.3 It is not clear why the term ‘technical effect’ is introduced, when no basis for such a term (concept) can be found in the Act. If by introducing this term the guidelines intend a reference to UK and European case law, then it would be useful for those cases to be discussed and the approach for determining patentability of excluded subject matter suggested therein either accepted, rejected or qualified.

3.4.4 The criteria for ‘technical advance’ is found in Section 2 (1) (ja) of the Act and reads as follows: –

2. Definitions and interpretation

(1) In this Act, unless the context otherwise requires,:

(ja) "inventive step" means a feature of the invention that involves technical advance as compared to the existing knowledge or having economic significance or both and that makes the invention not obvious to a person skilled in the art;

3.4.5 Inventive step is always determined by considering the invention as a whole and not by selecting parts of the claim. In fact, the Manual of the Patent Office Practice & Procedure also states in section 08.03.03.02 that in determination of inventive step the invention shall be considered as a whole.

3.4.6 Accordingly, it is not clear on what legal basis the guidelines suggest dividing software that has technical outcome (meaning not clear) and that which doesn't.

3.4.7 It is suggested that the proper approach in determining inventive step would be to apply the ‘technical effect’ approach set out in Aerotel ([2006]EWCA Civ 1371): –

Step 1: Properly construe the claim;

Step 2: Identify the actual contribution;

Step 3: Ask whether the contribution falls solely within excluded subject matter;

Step 4: Check whether the contribution is technical in nature

3.4.8 In determining step 3 and 4 (generally done together), determination of technical contribution inherently includes identifying a contribution which is novel and non-obvious. Accordingly, if the novel and inventive contribution falls within excluded subject matter then that cannot be considered as a “technical contribution”. Effectively, only that contribution which is: –

- Novel;
- Inventive;
- Does not fall in excluded subject matter (taken as a whole)

can be considered as “technical contribution”.

4. Section 3.17 of Guidelines: Mathematical Method

[to be inserted]

5. Section 4.1 of the Guidelines: Method/Process

- 5.1 This sections provides some examples of what are allegedly claims falling under excluded subject matter. It would be more useful if the claims in the examples are analyzed and the reason behind holding them as excluded subject matter be provided. The stand-alone examples do not serve any purpose other than suggest a bias against method claims.

6. Section 4.2 of the Guidelines: Apparatus/System

- 6.1 The section states that the apparatus claim should clearly define the inventive constructional/hardware features.
- 6.2 It is submitted that this is an incorrect approach and limits the scope of apparatus or system claims. There may be many inventions that are configured to function in a novel and inventive manner and may not necessarily have a “new” hardware. If by new hardware it is meant that a hardware configured to function in a new manner, then that should be perhaps stated in the guidelines.
- 6.3 The suggested approach, as set out above, is to identify the contribution and assess whether the contribution falls wholly within the excluded subject matter.
- 6.4 This section also includes the statement: “The claim for an apparatus may incorporate a ‘process’ limitation for an apparatus, where ‘limitation’ means defining the ‘specific application’ and not the ‘general application’. It would be useful if the guidelines can elaborate, preferably by way of an example, what are ‘specific’ applications and what are ‘general’ applications.
- 6.5 It would further be useful if the guidelines could clarify on whether such limitation of ‘specific application’ would overcome the novel hardware/construction requirement as set out earlier in the guidelines.

7. Section 5.4.5 to 5.4.7 of Guidelines: Determination of Excluded Subject Matter

- 7.1 The guidelines state that a program that can run on a general-purpose computer cannot be considered patentable. However, the Guidelines do not offer any reason or legal basis for arriving at such a conclusion. Such an interpretation would defeat the purpose of Section 2(1)(j).
- 7.2 The statements made in the paragraphs are vague, confusing and do not find any support in the Act.

7.3 The Guidelines should perhaps consider referring to leading case law in other jurisdictions, such as the UK and EP, and indicate whether the tests laid out in those decisions are applicable in determining excluded subject matter. Specific reference is made to the following cases:

- Aerotel Ltd Vs Telco Holding Ltd [2006] EWCA Civ 1371
- Symbian Limited Vs Comptroller General of Patents[2008] EWCA Civ 1066
- Population Diagnostics Inc. Vs Comptroller General of Patents[2012] EWHC 3541(Ch)

8. Section 5.4.8 of the Guidelines: Illustrations

8.1 The Guidelines surprisingly only refer to negative illustrations that don't meet the requirement of Section 3(k). The Guidelines would serve a far more practical purpose if an equal number of examples illustrating what the Patent Office considers patentable subject matter under Section 3 (k) are provided.