

July 26, 2013

To,

The Office of the Controller General of Patents, Designs & Trade Marks  
Bhoudhik Sampada Bhavan,  
Antop Hill, S. M. Road,  
Mumbai - 400 037

**Subject: Comments on the Draft Guidelines for Computer Related Inventions**

The Centre for Internet and Society (“CIS”) would like to commend the Office of Controller General of Patents, Designs and Trade Marks (“Controller General”) for preparing and inviting comments on the Draft Guidelines on Computer Related Inventions (“Guidelines”). With respect to the Guidelines, CIS would like to submit the following comments:

**Background**

The patent examiner is the most important link in the chain of patent law as he/she acts as the gatekeeper to defend the boundaries of patent law. This is especially so in the case of CRIs as the debate is centered on the question of the subject matter of patents. We are in full agreement with the position of excluding computer programs per se from patent protection. Especially given that they already qualify for protection under both copyright and trademark law. The question of patenting CRIs is problematic as such inventions have a high rate of obsolescence. To avoid this, CRIs need to meet a *higher* standard during patent examination. It is in this interest that CIS presents the following comments on the Guidelines.

1. Scope of Section 3(k) , paragraph 2.4:

*“Therefore, the re-instatement of the original phraseology of section 3 (k) clearly indicates that the legislature intended to retain the original scope of exclusion and did not approve its widening under this sub-section as attempted through the ordinance.”*

The Guidelines correctly identify the position of law as regards Section 3(k) and the evolution of the provision through the 2002 and 2004 amendments. However, it does not explain the meaning of the provision with regard to the way it applies to patent examination. The meaning of Section 3(k) is to exclude the grant of patents for computer programs per se based on the **subject matter** test.

So, the proposition here is that if a patent application were to fall in the category of non-patentable subject matter, the patent should not be awarded. This should be made clearer for the benefit of prospective patent applicants and examiners. Our submission is that the explanation to Section 3(k) should include the subject matter test.

2. Definition of “per se”, paragraph 3.11:

*The term “per se” is not defined in Indian statutes and hence, for interpretation of this term, the general dictionary meaning may be used.*

In our comment on the 2010 Patent Manual, we had asked for clarification on the meaning of the phrase “per se” in Section 3(k).<sup>1</sup> While the Guidelines attempt to clarify the meaning, referring to the dictionary meaning of the phrase creates numerous issues. The phrase per se was first used in the European Patent Convention and the Proposed EU Directive on CRIs where per se was taken to mean *on the face of it*.

When similar phraseology was used in the Indian Act, some groups felt that this should be interpreted similarly rather than to mean *by itself*. The Guidelines do refer to the latter meaning. But the issue is with the use of the phrase in the provision and its cumulative meaning. So, it would help if the Guidelines, while explaining the meaning of the phrase also clarify that 3(k) means computer programs **by themselves**.

3. Definitions of “algorithm”, “software”, “hardware” and “firmware”, paragraph 3

Once again the Guidelines make reference to the Oxford Dictionary while defining these words. It is understandable that there is some difficulty in defining them as there are no statutes that explicitly define these words. However, the definitions in the Dictionary

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<sup>1</sup> See <http://cis-india.org/a2k/blog/cis-submission-draft-patent-manual-2010> (Accessed on 23rd July, 2013).

pertain to general usage and the implications of these words can change based on context. In this regard, it would be useful for the patent examiner to consult an expert while dealing with the usage of these terms or at least use a technical dictionary that defines these words as per their usages in that particular field.

4. Claims concerning CRIs- subject matter, paragraph 4

This Section correctly identifies the categories under which claims are made in patent applications for CRIs. However, even before making such categories, the applications must be tested on the question of subject matter. As pointed out earlier, if an invention falls outside defined subject matter, it should not be granted a patent.

The number of patents filed has gone up by almost 50% this year<sup>2</sup> and there is a need to dispose off, applications in a speedy but efficient manner. It must also be noted that there have been many cases where business methods and algorithms have been passed off as inventions and granted patents.<sup>3</sup> In order to avoid such errors and reduce transaction costs, it would help to carry out a preliminary subject matter evaluation at the outset.

5. Examination Procedure, paragraph 5

*The examination procedure of patent applications relating to CRIs is common with other inventions to the extent of considering novelty, inventive step and industrial applicability.*

The Guidelines suggest that CRIs can be tested on the same standards as other inventions on the above three questions. However, CRIs differ from other inventions. Most CRIs are an incremental innovation on existing CRIs. Many CRIs also become obsolete in a very short time. In the field of data storage for instance, the first CD was invented in 1982, DVD in 1995 and the flash drive in 1999. While each of these inventions was far superior

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<sup>2</sup> See <http://www.thehindubusinessline.com/news/science/number-of-patent-applications-up-nearly-50-this-year/article4508058.ece> (Accessed on 23rd July, 2013).

<sup>3</sup> See for business method patents granted in India: <http://spicyipindia.blogspot.in/2013/01/guest-post-why-are-business-method.html> (Accessed on 19th July, 2013).

to their predecessor, the time between each incremental innovation has drastically reduced.

If an invention can become obsolete in as little as 2 years, it would make little sense to grant monopoly rights for 20 years. So even if a CRI passes the three tests of novelty, inventive step and industrial applicability, it needs to be evaluated from the perspective of its possible obsolescence. In such a scenario, the examiner should look at the history of innovation in that particular field to ascertain that the invention does not become obsolete in a short time.

6. Inventive Step, paragraph 5.3

*(ja) "inventive step" means a feature of an 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;*

The Guidelines quote Section 2(ja) of the Patents Act and refer to the IPAB decision in the *Enercon* case to explain the meaning of inventive step. But, the meaning of certain terms, like “technical advance” and “person skilled in the art” is unclear.

With respect to “technical advance”, one could infer the meaning from (4) of the quote from the *Enercon* case (citing *Windsurfing* and *Pozzoli*) which reads:

*Imputing to a normally skilled but unimaginative addressee what was common general knowledge in the art at the priority date*

However, as Prof. NS Gopalakrishnan notes, the standards for what is an inventive step differs based on the industry.<sup>4</sup> For instance, the pharmaceutical industry has a relatively lower standard for inventiveness when compared to other industries.<sup>5</sup> Given the unique nature of CRIs, it is important to clarify to what the standard for inventiveness or the “technical advance” is in this case.

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<sup>4</sup> NS Gopalakrishnan and TG Agitha, “Principles of Intellectual Property” (1<sup>st</sup> ed. 2009), at 91.

<sup>5</sup> Ibid.

In the same respect, the meaning of “person skilled in the arts” also needs explanation in relation to CRIs. This is especially so since the patentable subject matter as per the Guidelines are software attached to a hardware device. As per the case of *Schlumberger v. EMGS*<sup>6</sup> before the English Court of Appeals, in case of inventions which involve the “marriage of skills”, a person skilled of arts can be a team of persons. The case also held that the person who judges sufficiency and the person from whose standpoint non-obviousness is judged are different. Given the range of areas that are involved in CRIs, a person skilled of art would have no set description and would more often than not be a team of people.

7. Ordering of paragraphs 5.4.5 to 5.4.7

These paragraphs deal with the subject matter test. Paragraphs 5.4.5 and 5.4.6 deal with computer programs and the implications of the use of the phrase “per se”. Paragraph 5.4.7 deals with business method, mathematical method and other excluded patents as per law. As argued earlier, the subject matter evaluation needs to be made in the first instance. So a patent examiner must be made aware of the exclusions at first and then the exception or the dilution of such exclusion. These paragraphs seem to accomplish this in the reverse order. For greater clarity we propose that the paragraphs be ordered as: 5.4.7, 5.4.5 followed by 5.4.6.

8. Flow Chart Showing Procedure of Examination, paragraph 9

The flow chart shows a step by step process of examining CRIs. However, the subject matter determination is done towards the end. There is debate on whether there should be a set order for examining patents. However, in the case of CRIs there must be an exception as the statute explicitly prohibits certain types of patents (business method, algorithm etc). As argued earlier, in order to reduce transaction costs, the subject matter test must be made at the very beginning. There should at least be a preliminary determination as to Section 3(k) to reject patent applications for those inventions that can easily be classified under this provision.

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<sup>6</sup> [2010] EWCA Civ 819.