

**COMMENTS BY BSA | THE SOFTWARE ALLIANCE ON
GUIDELINES FOR EXAMINATION OF COMPUTER RELATED INVENTIONS**

OVERVIEW

The BSA | The Software Alliance (“BSA”) appreciates the opportunity to comment on the draft Guidelines for Examination of Computer Related Inventions (“Guidelines”). BSA brings together many of the world’s leading technology providers. These innovators and the technologies they develop will be directly affected by the draft Guidelines. We appreciate the IPO’s efforts in drafting the Guidelines, as well as offering the opportunities for the public to submit comments. The IPO’s transparency and openness in IP legislative and policy work is highly applauded. We also appreciate the IPO’s desire, by working on the Guidelines, to foster uniformity and consistency in the examination of such inventions.

In the comments that follow, we outline a series of concerns with the draft Guideline’s current direction, which we strongly believe must be revised to more effectively foster robust innovation in India’s IT economy. To briefly summarize, BSA believes the current draft of the Guidelines is problematic for at least three reasons:

- 1) The Guidelines are inconsistent with any prudent interpretation of Section 3k of the India Patent Act (1970);
- 2) The guidelines are inconsistent with international norms and with how similar language has been interpreted in other jurisdictions (like the EU); and
- 3) As interpreted by the guidelines, Section 3k would be inconsistent with India’s international obligations under TRIPS. This is a concern for software developers and other types of innovators. Therefore, BSA believes the Guidelines should be revised to better reflect the legal standing and implementation of the law, rather than altering the law itself.

Patents for computer-implemented inventions play a critical role in promoting innovation. BSA thus encourages the Office of the Controller General of Patents, Designs and Trade Marks (“Controller”) to ensure patent protection for such inventions consistent with the practice of other developed and developing nations. In order to do this, we believe that the Guidelines need to be further revised to reflect policies that will foster innovation within India in the Computer Related Technology sector.

Computer-implemented inventions define the Information Age and are on par with the most ingenious inventive acts ever known. Software inventions, in particular, play an important role in countless products and systems. Indeed, many of those inventions likely would not have been developed without the protections the patent system provides. Since a substantial portion of exports from India are related to software, it is prudent that the IPO encourage patenting of software-implemented inventions — both to protect Indian industry and to draw in international investment.

Indian companies actively obtain patent protection for their software inventions in jurisdictions that allow it, such as the US and EU. In a similar fashion, the patent ecosystem in India should nurture the software industry by ensuring there are legal protections available to encourage a culture of investment in innovation.

DETAILED ANALYSIS OF DRAFT GUIDELINES

Although Section 3(k) of the Patents (Amendment) Act 2002 only provides for an exclusion from patentability of “a computer programme per se” – which is substantially similar in language to the exclusion of computer programs “as such” in Articles 52(2)(c) and 52(3) of the European Patent Convention – the Guidelines would implement a regime that is much stricter than that implemented by either the European Patent Office or the patent offices of most other developed or developing nations. Thus, the subject matter eligible for patentability as explained in the Guidelines is inconsistent with the law and international norms.

In fact, few innovations in the computer-technology field would be patentable in the regime implemented by the Guidelines. Indeed, consistent with this, the examples and illustrations in the Guidelines fail to provide a single example of a computer-implemented invention that is patentable (with the possible exception of the example in Section 4.2, for which the Guidelines do not provide a clear indication of patentability or unpatentability). Furthermore, the flowchart set forth in Section 9 of the Guidelines for determining the patentability of computer-implemented inventions leads, in all cases, to an outcome of unpatentability, and does not indicate which computer-implemented inventions are patentable.

BSA believes that the regime implemented under the Guidelines would have a deleterious effect on the emerging software sector in India as well as on investment in India by multinational software companies. For this reason, BSA encourages the Controller to implement guidelines that are consistent with the practice of other developed and developing nations.

Specifically, Section 5.4.5 of the Guidelines, states “The question therefore, is whether a computer program loaded on a general purpose known computer or related devices can be held patentable. Keeping in view the spirit of law the answer is in the negative.” (Emphasis added.)

Further per Section 5.4.6, “a computer program which may work on any general purpose known computer does not meet the requirement of the law. For considering the patentability of computer program in combination with hardware features, the hardware portion has to be something more than general purpose machine.” (Emphasis added.)

The proposed Guidelines provide a number of negative illustrations. Many of these illustrations comply with the requirement of technical effect and technical advancement defined under Section 3.15 of the Guidelines, but they are not deemed patentable subject matter only because the software is running on a general-purpose machine.

We note Section 5.4.1 of the Guidelines state “Since patents are granted to inventions whether products or processes, in all fields of technology, it is pertinent to ascertain from nature of the claimed method/process whether it relates to technological field”, Section 5.4.3 states “any method/process relating to non-technological field shall not be considered patentable”, and Section 3.15 defines technical effect as “solution to a technical problem, which the invention taken as a whole, tends to overcome”. But, “technical effect/technology field” should not be interpreted as “hardware portion has to be something more than a general purpose machine”. In today’s IT industry, much of the technological innovation is achieved through new innovative software development as opposed to hardware innovation due to the fact that innovative software can achieve the same technical effect without the added cost of hardware development or changes. In fact, we believe it is important to

encourage and incentivize innovation that allows a general purpose computer to be perform tasks that were once capable of being performed by a specifically designed machine. Equating “technical effect/technology field” to “combination with hardware features” and “the hardware portion has to be something more than general purpose machine” will substantially and unreasonably exclude those innovation activities in software field from patent protection.

The India Patent Act 1970 (as amended) defines inventions in Section 2(j) as “a new product or process involving an inventive step and capable of industrial application”. Thus, a patent may be granted for new products or processes in all fields of technology. Section 2(l) of the Act, defines a new invention as “any invention or technology which has not been anticipated by publication in any document and or used in any country or elsewhere in the world before the date of filing of patent application and complete specification, i.e., the subject matter has not fallen in public domain or that it does not form part of the state of the art”. The definition of new invention states any invention or technology. The technical effect brought about by a novel computer program running on a general purpose computer also lends a technical character to the invention which should be considered as a technology and thus patentable, the same as a non-novel computer program running on a computer with novel hardware features, or a novel computer program running on a computer with either known or novel hardware features.

As pointed out in Section 5.4.5 in the Guidelines, “Essentially, all computer programs need a combination with some hardware for its functionality”. For considering the patentability of computer program in combination with hardware features, it is the invention as a whole, other than the hardware portion specifically, that has to be something more than general purpose machines. If the innovation of a computer-program-implemented invention solely lies in the software portion and the software portion is solving a specific technical problem and it achieves a technical effect, then the innovative software portion combined with a general purpose machine, as a whole invention, should not be excluded from being patentable subject matter, just the same as if the novelty exclusively lies in the hardware portion or lies in the combination of both software and hardware.

It’s not reasonable to exclude pure software innovation from patentable subject matter and put forward a mandatory requirement of “something more than general purpose machine” for the hardware portion. In the current IT industry, it is a technology or business decision about whether to implement the innovative ideas through hardware or software, or the combination thereof, and whether to implement the innovative ideas on general purpose computers or specific usage computers, etc. Such technology choices or business decisions should not affect the substance of subject matter patentability of innovative software. Since patents promote innovation, allowing patents for hardware but not software encourages development and implementation in hardware instead of software, and it is apparent that the growth in terms of the software sector is much larger than the hardware sector. Thus, it is strange to encourage old technology over new technology - the very opposite of the purpose of the patent system.

For the IPO’s reference, although some of other major jurisdictions also exclude “computer programs as such” (e.g. Europe and China) or require the hardware portion to be recited in claims of software-implemented inventions (e.g., Japan), none of them has adopted the requirement of “the hardware portion has to be something more than general purpose machine”. (emphasis added.)

Illustration 13 of the Guidelines is a particularly vivid example of how far practice under the Guidelines would diverge from that of most developed or developing nations. The invention of Illustration 13 is

directed to a device for image processing that implements a particular mathematical algorithm. Such an invention, involving a technological process or device that uses an innovative mathematical algorithm would be patentable in most developed or developing nations. See, e.g., Method and apparatus for improved digital image processing/Vicom, T208/84 (EPO Technical Board of Appeal 1986) (holding that an invention directed to a method for digitally processing images was patentable); see also Diamond v. Diehr, 450 U.S. 175 (1981) (holding that a method of operating a rubber-molding press based on a mathematical algorithm was patentable).

Furthermore, Article 52 (2) and (3) of the EPC only excludes the patentability of “**computer programs as such**”. The EPO has interpreted the phrase “**as such**” as limited to those computer-program-implemented inventions which do not have a technical character and technical effect. The Guidelines for Examination in the European Patent Office with respect to Programs for Computers specify that if a computer program is capable of bringing about, when running on a computer, a further technical effect going beyond those normal physical interactions between the program and the computer, it is not excluded from patentability. The technical effect brought about by a computer program lends a technical character to the computer program. China and Japan have also taken similar positions with regard to software patents.

The Guidelines appear not only to be at odds with other countries’ policies, but it may also be contrary to India’s international obligations. The strict regime of patentability implemented by the Guidelines would disallow patent protection for innovations, including those having inventive technical character, in a vast segment of the computer-technology field. Thus, despite the statement otherwise in Section 5.4.1, the Guidelines do not appear to be consistent with Article 27.1 of TRIPs, which states that patents shall be available for inventions in all fields of technology, assuming they satisfy the other criteria for patentability such as novelty, inventive step and industrial application.

For the reasons mentioned above, we respectfully suggest that the IPO reconsider its interpretation on “computer program per se” under Section 3(k) of the India Patent Act 1970 (as amended). Whether a computer-program-implemented invention is a “computer program per se” should be determined according to the definition of inventions under Section 2(j) of the India Patent Act 1970 (as amended) and technical effect/technology field under Section 3.15 and 5.4.1 of the Guidelines. It is the invention as a whole, other than the hardware portion, that should have something more than a general purpose machine. The Guidelines should conform to the definition of inventions under the India Patent Act 1970 (as amended), and better tally with the practice of other major jurisdictions in the world.