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Comments on

Guidelines for Examination of

Computer Related Inventions (CRIs)

Submitted on 26th July 2013

At the outset we would like to welcome initiative of the office of Controller General of Patents, Designs Trademarks (CGPDTM) in releasing Draft guidelines for Computer Related Inventions and seeking comments of all stakeholders on the same. We have organized our comments against each of the paragraphs mentioned in the Draft Guidelines document. Our comments are as follows:

Comments on the Introduction part

As disclosed in the introductory part of Draft Guidelines document (hereinafter referred as **Guidelines**) the Information technology and the software industry has seen a huge amount of growth in the past few decades, especially from the Indian perspective as per the NASSCOM estimates the size of the industry in India itself is about 100 billion USD per annum[1], majority (70%) of which constitutes the export of technology and services to countries outside India.

The introductory section of the guidelines also recognizes that the traditional patent regimes have faced challenges in determining boundaries of what shall constitute Patentable matter when it comes to the computer related invention in a scenario where the growth in the technology is so rapid. The introductory section also recognizes that guidelines for the examination of patent applications in the field of CRIs will foster uniformity and consistency in the examination of such inventions.

It is a welcome suggestion that the guidelines will not only be subjected to revision based on interpretation of case laws and amendments in the statutes but also the inputs from stakeholders.

[1] http://www.nasscom.in/indian-itbpo-industry

Comments on the Background (statutory amendments)

Though the background section of the guidelines states the facts that how the statutory changes have been made in some of the provisions that affect the patentability of CRIs in India the following Interpretation of the office of CGPDTM on the retention of original phraseology of the section 3 (k) in The Patent Amendment Act (of 2005) is devoid of any basis.

It is mentioned in the guidelines that 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*".

This understanding is contrary to the press release issued by the Ministry of Commerce[2] on the same issue which mentions *"It is proposed to omit the clarification relating to patenting of software related inventions introduced by the Ordinance as Section 3(k) and 3 (ka). The clarification was objected to on the ground that this may give rise to monopoly of multinationals".*

Thus in the belief of the undersigned it is improper to construe that the removal of section 3(k) (a) as introduced by the ordinance was widening the scope of exclusion of Patentability. Whereas the intention was perhaps to give equal opportunity to domestic software companies who developed computer programs having non-technical applications to industry or did not involve combination with hardware.

[2] http://pib.nic.in/newsite/erelease.aspx?relid=8096

Terms/definitions

The undersigned submits that the guidelines must reconsider the definition of business methods as defined in para 3.18.

Especially the portion that mentions "*The exclusions are carved out for all business methods and, therefore, if in substance the claims relate to business method even with the help of technology, they are not considered patentable".*

There are scenarios in which the claims mention business methods or business method related terminology as non technical part of the claim however the inventive step resides in the technical part of the claim (technology). Thus such inventions should not be excluded from patentability under section 3(k) merely because the claims relate to business method (not claiming it) however they are targeted to the underlying technology, so long as there is a technical interaction between non-technical and technical parts of the claim.

Various Categories of Claims concerning Computer related Inventions

It is not clear in para 4.2 what the guidelines suggest by mentioning "The apparatus claim should clearly define the inventive constructional/ hardware features". It is also not clear whether the example provided in the para 4.2 would constitute a Patentable or non-patentable invention according to the guidelines. This para must describe why it is acceptable or not acceptable to the examiner.

Examination Procedure:

We request the office of CGPDTM to clarify Patent Eligibility of a CRI (that is novel and industrially applicable) however does not involve technical advance as compared to the existing knowledge but has economic significance. An illustrative example in this regard will also be appreciated.

A general observation valid for the entire guidelines is that the illustrations used in the documents should have been hypothetical cases rather than actual cases prosecuted by the office of CGPDTM.

With respect to analysis performed towards the illustrations, this is to be considered that the guidelines for CRI do not generally define what constitutes a technical effect and how the technical effect will be determined by the examiner. The technical effect and its interpretation may be considered with the approach similar to that of EPO[3].

There are a few illustrations that we observed as contradictory:

With respect to analysis of **illustration 3**, while dealing with applications related to several entities that are connected across a network and the interconnection of the entities reducing the amount of the data transmitted across the network, the nature of the data and transaction involved in such transmission should not be looked at as reason to refuse the application as a business method. The implementation of such entities in a system that reduces the data transmission should be considered to be technical and should have been regarded as patentable, regardless of mention of non technical terms in the claim like

[3] http://www.epo.org/news-issues/issues/computers/software.html

transaction data and billing for transactions. **Reference: decision of Patent number IN221022.**

Similarly, the **illustration 9** from the guidelines presents a rejected application claiming on method for optimizing performance of a computer. However, we would like to bring to the notice of the office that a granted patent **IN236521** disclosed a similar technique of specific allocation of memory segments on individual machines to perform the data transfer operation on the other machine. IN236521 allocates memory segments while extracting DMA facilitates indirectly a purpose specific section for enabling the data transfer. In comparison, the illustration 9 includes a software program that enables optimizing the performance of the computer by way of assigning purpose specific sections in the memory and involves a technical character. Thus there exists a contradiction in the treatment of CRIs and having such illustrations as a part of guideline document itself is complicating the understanding of the stakeholders further.

Referring to **illustration 10**, the case was rejected on a ground that, although the claims were drafted as a system but in fact they are not more than a method of doing business since the transaction processing in the alleged system is performed by the instructions stored in the memory to configure the server which in- turn performs the functions of receiving a request, querying the database and sending the product information. On the other hand, there are patents that have been granted by the office which consists of a system comprising processor and a memory storing instructions implemented by the processor IN254198.

Referring to **illustrations 13 and 14**, the fact to be considered here is that all Computer programmes are a set of instructions for controlling a sequence of operations of a data processing system. It closely resembles a mathematical method. It may be expressed in various forms e.g., a series of verbal statements, a flowchart, an algorithm, or other coded form and maybe presented in a form

suitable for direct entry into a particular computer, or may require transcription into a different format (computer language). It may merely be written on paper or recorded on some machine readable medium such as magnetic tape or disc or optically scanned record, or it may be permanently recorded in a control store forming part of a computer.

If the patent application relates only to a machine i.e., hardware based invention, the best mode of operation may be described along with the suitable illustrations which is considered as a technical matter. However, in the case of process related inventions, the necessary sequence of steps may be described so as to distinguish the invention from the prior art with the help of the flowcharts. The source/pseudo/object codes may also be incorporated in the description optionally to give a clear description of the subject matter and therefore, it should not be the sole reason to consider the subject matter as non-patentable.

In this short period of time we were unable to go through and submit comments on the remaining paragraphs of the guidelines.

We Conclude

With respect to analysis performed over various illustrations, and the written matter in the guidelines, it is critical that these guidelines should be re-drafted in a simpler manner. It should be simplified to the extent that small start-ups and individual inventors also could understand how the examiner comes to a decision on whether a Computer related Invention is patentable or not patentable. Only then the object of the Patent Act 1970 is justified. Moreover, the illustrations only put light on 'what is not patentable', and thus it is equally important to be aware of the facts by way of such similar illustrations that bring in more clarification on 'what is Patentable'?

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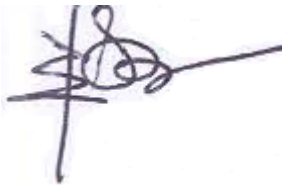

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