

Implications of New CRI Guidelines on Software Patenting in India



By Kshitij Malhotra,
Partner, GIP India

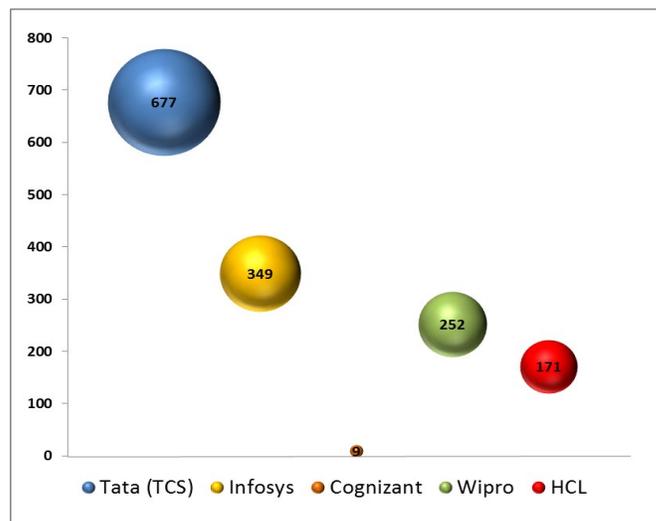
Sep 2015

On 21-Aug-15, the Indian patent office issued [new guidelines](#) for examination of Computer Related Inventions or CRI. It should be remembered that the patent office issued a [first draft of guidelines](#) in August 2013 and asked for a collective feedback from various stake holders on the guidelines. The draft guidelines and the final guidelines are both available on the patent office website.

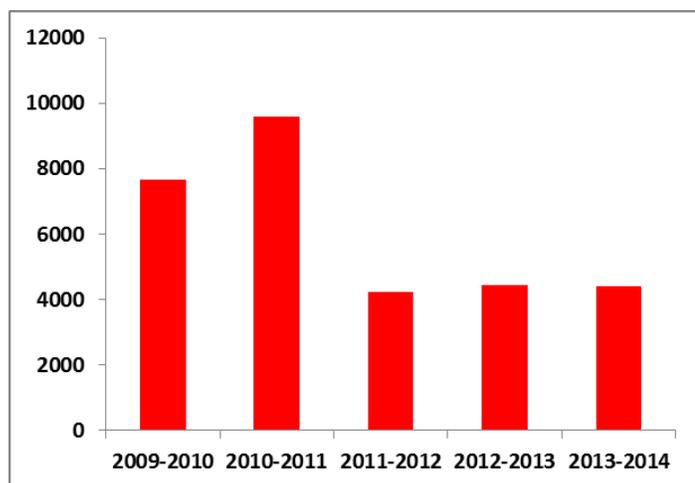
The new guidelines have clarified on many aspects of patentability of computer related inventions. Generally speaking, as per the new guidelines, the evaluation of patents in this particular domain has become much easier as compared to the scales which were used earlier. As many of us know, section 3 (k)¹ of Indian patent act excludes mathematical models and business methods from patent eligibility. With respect to specific software related inventions, algorithms are also denied patent eligibility, while the section excludes those inventions in which the subject matter relates to “computer program per se” from patentability.

Section 3 (k) has been a bone of contention since inception in the Indian patent act. Though many believe that the section in itself has best of intentions in providing level playing field to domestic software industry and foreign software companies, there are many others who complain that the section is being applied too conservatively by the patent office, leaving a very limited scope for patenting of inventions in software domain, accordingly, losing their interest and trust in patent system.

In practice, it cannot be denied that the patent office used to strictly interpret the provisions of the section, which gave a tough time to the applicants during examination of patents for computer related inventions. Invariably and some would agree, conveniently, the patent office used to cite section 3 (k) and reject the patent application on grounds of lack of subject matter eligibility during examination of the patents in this domain.



Above chart shows number of IN patent applications filed by Top 5 Indian software companies between 2010-2015



Above chart shows number of patent applications related to software/electronics domain filed in India in last 5 years.

Even while allowing claims, the patent office used to mandate inclusion of system and apparatus claims in a CRI application, and rarely allowed method claims which covered the broad contours of the computer program. The logic of the examiners was that the subject matter should relate to a “hardware”, which is combined with “a computer program”, and therefore, only system and hardware claims were allowable in a CRI patent application. These practices lead to extended argumentation during the office actions and heated debates in the patent office during physical deposition by the patent agents & attorneys. In the end, most often than not, the applicant was on the conceding front and the scope of the claims obtained was limited and restricted.

¹Section 3

What are not inventions:

The following are not inventions within the meaning of this Act,—

(k) a mathematical or business method or a computer programme per se or algorithms;

Implications of New CRI Guidelines on Software Patenting in India



Even though the new guidelines have nothing new with respect to denial of patents related to business methods, mathematical models and algorithms, the new guidelines have come as a refreshing respite for the software patent applicants. The most important aspect is that for the first time the patent office has acknowledged two critical aspects regarding patentability of computer programmes.

Firstly, the new guidelines have formally clarified the legislative intent while using the word “computer program per se” as under section 3 (k) of Indian patent act. The guidelines make a mention of what the Joint Parliamentary Committee or the JPC while introducing Patents (Amendments) Act, 2002: Page 12 of 21 had to say. The guidelines quote the JPC and say as follows:-

“In the new proposed clause (k) the words “per se” have been inserted. This change has been proposed because sometimes the computer programme may include certain other things, ancillary thereto or developed thereon. The intention here is not to reject them for grant of patent if they are inventions. However, the computer programmes as such are not intended to be granted patent. This amendment has been proposed to clarify the purpose.”

The guidelines further quote as follows:-

“The JPC report holds that the computer programmes as such are not intended to be granted patent. It uses the phrase “... certain other things, ancillary thereto or developed thereon....”. The term “ancillary” indicates something essential to give effect to the main subject. In respect of CRIs, the term “ancillary thereto” would mean the “things” which are essential to give effect to the computer programme. The clause “developed thereon” in the JPC report may be understood as any improvement or technical advancement achieved by such development. Therefore, if a computer programme is not claimed by “in itself” rather, it has been claimed in such manner so as to establish industrial applicability of the invention and fulfills all other criterion of patentability, the patent should not be denied. In such a scenario, the claims in question shall have to be considered taking in to account whole of the claims.”

Based on the above, it may be reasonable to say that the patent office has clarified that computer program when includes certain other things “ancillary or developed thereon” may qualify as an eligible subject matter. In other words, the guidelines seem to suggest that just because the claims of a subject matter relates to software, it should not be rejected.

Secondly, and equally importantly, the guidelines provide an objective way in which the examiners should test the eligibility of patents related to computer programmes. For example, section 5 provides a determinant and provides that for a CRI to be patentable, the subject matter should involve either:-

1. A hardware
2. A hardware combined to a software
3. A novel computer programme with a known hardware which goes beyond the normal interaction with such hardware and affects a change in the functionality and/or performance of the existing hardware.

This is a significant deviation from earlier practice where the patent office was adamant about the subject matter to include either a novel hardware or a hardware combined to novel computer programme for passing the muster of patent eligibility.

Further, section 6 of the MPPP provides that the examiner shall confirm that the claims have the requisite “technical advancement”. Thereafter, section 6 provides various questions that the examiner should cite in order to determine the “technical advancement”. This means that in nutshell for a software patent to be allowed, the patent applicant has to show that his/ her invention is novel, inventive, utility or has some industrial application, and subject matter allowability by proving that the claims have technical advancement.

The most important section in the guidelines is however is the illustrative examples as provided in section 8² of the guidelines. The illustrative examples have been divided into the examples that are eligible and those that are ineligible. These examples give a case by case insight on what kind of claims could be allowed prosecution while what kind of claims might be rejected.

It is certain that these examples will be utilized in future during the prosecution of applications at IPO or cited during hearings and appeals. It is highly recommended by the software patent applicant to do a bare thread analysis of the illustrative examples to understand whether their software related inventions fit into the scheme of patent eligibility of IPO. If they do, it can open window opportunities for our burgeoning software industry to utilize the Indian patent system in future.

²See Appendix

Implications of New CRI Guidelines on Software Patenting in India



Appendix 1 – Examples of Eligible Claims

Some examples of eligible claims according to new guidelines.

Example: 1

A method for granting an access to a computer-based object, wherein

a memory card having a program code processor is provided, with at least one public and one private key assigned to the memory card being stored thereon,

an item of license information which comprises at least one license code encrypted by means of the public key assigned to the memory card is provided at a computing device controlling the access to the computer-based object,

a symmetric key which is made available to the memory card and the computing device is generated from a first random number generated by the memory card and from a second random number provided by the computing device,

the encrypted license code and a specification, provided with a hash value encrypted using the symmetric key, of a function that is to be executed by the memory card for decrypting the license code are transmitted to the memory card,

the encrypted hash value is decrypted by the memory card and checked for agreement with a hash value computed for the specification of the function to be executed by the memory card,

if the result of the check is positive, the function for decrypting the license code is executed by the memory card and a decrypted license code is transmitted to the computing device,

the decrypted license code is provided at least temporarily for accessing the computer-based object.

Example: 2

A method of controlling an electronic device (1) comprising a touch sensitive display (11) the method comprising: displaying a plurality of graphical items (43) on the touch sensitive display (11) where each graphical item (43) has an identity (44);

detecting a coupling, formed by a user, of at least two graphical items (43), the coupling comprising, a trace on the touch sensitive display (11) between the at least two graphical items (43); and,

performing an action dependent upon the identity (44) of the coupled graphical items (43),

characterized in that when the user begins to make the trace, an indication is displayed to indicate the item (43) on which the trace began.

Example: 3

A method for estimating a length of time required to download one or more application programs on a wireless device over wireless network, said method comprising operations of:

the wireless device exchanging one or more data files with server, said data files including at least information representing a size of the one or more application programs available for downloading onto the wireless device;

during the exchanging, at least one of the server and wireless device measuring one or more data transfer rates for the exchanging operation;

receiving user input of one or more application programs to download;

at least one of the server and wireless device:

utilizing the one or more measured data transfer rates and the size of the selected one or more application programs to estimate a length of time required to download the one or more application.

Example: 4

A method for tracking a mobile electronic device using instant messaging (IM), the method comprising the steps of:

determining whether a currently inserted subscriber identity module (SIM) card is different from the SIM card stored in a memory of a mobile electronic device;

stealthily initiating a live voice call over an instant messaging (IM) message to a predefined IM identity of a user; and

automatically sending IM message along with the live voice call, location and IMSI number of the currently inserted SIM card to the predefined IM identity of the user via an IM server if the currently inserted SIM card is different from the SIM card stored in the memory of the mobile electronic device.

Implications of New CRI Guidelines on Software Patenting in India

Appendix 2 – Examples of Non-eligible Claims

Example:1

A method of scoring compatibility between members of a social network, said method comprising the steps of:

preparing interest compatibility scores based on expressed Interests of the members of the social network; and

computing a compatibility score between a first member of the social network and a second member of the social network based on expressed interests of the first member, expressed interests of the second member, and the interest compatibility scores between the expressed interests of the first member and the expressed interests of the second member.

Example:2

A method of operating a computer network search apparatus for generating a result list of items representing a match with information entered by a user through an input device connected to the computer network, the search apparatus comprising a computer system operatively connected to the computer network and the method comprising:

storing a plurality of items in a database, each item comprising information to be communicated to a user and having associated with it at least one keyword, an information provided and a bid amount;

receiving a keyword entered by a user through an input device;

searching the stored items and identifying items representing a match with the key word entered by the user;

ordering the identified items using the bid amounts for the identified items, and generating a result list including the ordered, identified items;

providing the result list to the user;

receiving a request from the user for information regarding an item selected from the result list;

charging to an account of the information provider associated with the selected item the bid amount associated with the selected item; and

providing information providers with authenticated login access to permit an information provider to modify at least the bid amount associated with the information provider's listing;

wherein the computer system sends an indication of the status of the information provider's account to the information provider in response to the occurrence of a predetermined condition.

