Indian IP Spotlight

Computer Related Inventions (CRI) revisited by Indian Patent Office – Finalizing the CRI Guidelines – Third Attempt

Neeti Wilson†
Anand and Anand, B-41 Nizamuddin East, New Delhi 110 013

Received 17 March 2016

The latest news in the Indian intellectual property scenario is on the changing stance of the Indian Patent Office on the patentability of Computer Related Inventions. The spotlight of March 2016 is on the new guidelines issued by the Indian Patent Office for examination of the applications for patents related to inventions in the area of computers and software. Any comments or suggestions may be sent to IPneeti@outlook.com or neeti@anandandanand.com.

Keywords: Computer related inventions (CRI), CRI guidelines 2013, CRI guidelines 2015, CRI guidelines 2016, Indian Patent office

The Indian Patent Office had stayed its guidelines for examination of Computer Related Inventions (CRIs) on 14 December 2015 and invited comments/suggestions for stakeholders and held meetings for revisions to the same. The revised guidelines have been notified on 19 February 2016 and significant changes in the interpretation of patentable CRI inventions has been introduced. The new guidelines describe in detail as to what would constitute non-patentable CRIs, with very less or almost nil guideline on what would be considered as patentable. The significant change in stance by the Indian Patent Office on examining the CRIs are not encouraging to the IT industry.

Computer Related Inventions (CRI) are considered by the Indian Patent Office to comprise of inventions involving the use of computers, computer networks or other programmable apparatus and include such inventions that have one or more features which are realized wholly or partially by means of a computer program or programs.

Information Technology (IT) has gained special significance in the recent past decades and has emerged as a vital tool for scientific development.

Industrial growth has been accelerated due to the computerization of manual and mechanical activities. The Patent Office recognizes that the core elements in the application of Information Technology are computers and their peripherals. The fast evolving technology is ever brimming with innovations and therefore creation of IP rights for the same become imperative.

Patentability of CRIs

The Indian Patents Act, 1970 excluded the patentability of CRIs in view of the then requirement of ‘manner of manufacture’ as a patentability criteria. Subject matters relating to mental acts, mathematical methods, business methods, algorithms and computer programs did not fall under the category of ‘manner of manufacture’, and hence were not held as inventions and therefore were not patentable under the old law. However, the software industry was not in the picture during the time the old Act was in place. The new Indian Patents Act, 2002 follows the TRIPS criteria. As per Article 27 of TRIPS, which is binding on India, patents are to be granted for any inventions, whether products or processes, in all fields of technology. The criteria for patentability is that the invention ought to be new, involve an inventive step and is capable of industrial application. Hence CRIs now are patent eligible as there is no manner of manufacture requirement.

Exclusions to CRI Patentability

The Indian Patents Act, 2002 (and 2005) has explicit exclusions from patentability under Section 3 and with regard to CRIs, the following are pertinent: 3(k) a mathematical or business method or a computer program per se or algorithms; 3(l) a literary, dramatic,
musical or artistic work or any other aesthetic creation whatsoever including cinematographic works and television productions; 3(m) a mere scheme or rule or method of performing mental act or method of playing game; and 3(n) a presentation of information.

Section 3(k) has been the most crucial and highly debated clause which does not allow patenting of computer program per se besides excluding a mathematical method, business method and algorithms in all forms. The per se term has been subject to various interpretations so as to decide the granting of patents for inventions related to computer programs which are not computer programs as such.

Guidelines for Patent Examination
Guidelines for the examination of patent applications are issued by the Indian Patent Office and in the field of CRIs it was issued on 28th of June 2013 with the objective to further foster uniformity and consistency in the examination of such applications.

As all the other patent office guidelines, the disclaimer that these guidelines do not constitute rule making and in case of any conflict between these guidelines and the provisions of the Patents Act, 1970 or the Rules made there under, the said provisions of the Act and Rules will prevail over these guidelines was duly presented in the guidelines.

Further, the guidelines are subject to revision from time to time based on interpretations by Courts of law, statutory amendments and inputs from the stakeholders.

CRI Guidelines 2013
The first guideline for examining CRI patent applications defined two terms (Technical effect and Technical advancement) for testing the patentability of the invention so as to determine whether the invention was outside the scope of Section 3(k).

Technical Effect was defined for the purpose of the guidelines as solution to a technical problem, which the invention taken as a whole, tends to overcome. A few general examples of technical effect are as follows:

- Higher speed
- Reduced hard-disk access time
- More economical use of memory
- More efficient data base search strategy
- More effective data compression techniques
- Improved user interface
- Better control of robotic arm
- Improved reception/transmission of a radio signal

Technical advancement was defined as contribution to the state of art in any field of technology. It was stated in the guideline that it is important to divide between software, which has a technical outcome, and that which doesn’t, while assessing technical advance of the invention. Technical advancement comes with technical effect, but it is to be noted that all technical effects may or may not involve technical advancement.

The guideline clarifies that for a subject matter to be considered patentable it must relate to the technological innovations and those having technical advancement.

Essentially, all computer programs need a combination with some hardware for its functionality. However, a novel software may not qualify for a patent if applied on a known hardware.

In an invention related to a new hardware system, the possibility of a computer program forming part of the claims is not ruled out. The guidelines requires careful consideration as to how integrated is the novel hardware with the computer program. The guidelines provide 17 Illustrations of CRIs and interprets them all to be non-patentable.

The requirement of novel hardware and the negative approach of the guidelines was much criticized by stakeholders and therefore the guidelines were revised and new guidelines were issued on 21st August 2015.

CRI Guidelines 2015
The revised CRI guidelines had a positive tenor and referred to the joint parliamentary report discussing the Section 3(k) exclusions. The 2015 guidelines clarified that for being considered patentable, the subject matter should involve either

- a novel hardware, or
- a novel hardware with a novel computer program, or,
- a novel computer program 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.

A computer program, when running on or loaded into a computer, going beyond the “normal” physical interactions between the software and the hardware on
which it is run, and is capable of bringing further technical effect may be patentable.

The technical advancement of the inventions concerning CRIs may not fall within Section 3(k) if:

(i) The claimed technical feature has a technical contribution on a process which is carried on outside the computer;

(ii) The claimed technical feature operates at the level of the architecture of the computer;

(iii) The technical contribution is by way of change in the hardware or the functionality of hardware.

(iv) The claimed technical contribution results in the computer being made to operate in a new way;

(v) In case of a computer program linked with hardware, the program makes the computer a better computer in the sense of running more efficiently and effectively as a computer;

(vi) The change in the hardware or the functionality of hardware amounts to technical advancement.

Further “mathematical method” exclusion may not apply to any computing/calculating machine constructed to carry out a method; method of encoding/decoding, method of encrypting/decrypting, method of simulation though employing mathematical formulae for their operations.

The CRI guidelines 2015 provided 11 examples of CRIs of which 9 were considered patentable and 2 were held to be not-patentable. The positive temper of the guideline was welcomed by CRI applicants, however their happiness was cut short with the guidelines being put in abeyance within few months of its release. Stakeholder’s consultations followed and third avatar of the CRI guidelines has now come into effect.

CRI Guidelines 2016

The latest guidelines for CRI patent seekers has a further precise objective to bring out clarity in terms of exclusions expected under Section 3(k) so that eligible applications of patents relating to CRIs can be examined speedily.

The patent examiners are provided a three stage test for examining CRI applications:

(1) Properly construe the claim and identify the actual contribution; (2) If the contribution lies only in mathematical method, business method or algorithm, deny the claim;

(3) If the contribution lies in the field of computer program, check whether it is claimed in conjunction with a novel hardware and proceed to other steps to determine patentability with respect to the invention.

The guidelines instruct the Examiner that the computer program in itself is never patentable and if the contribution of an invention lies solely in the computer program, the claim is to be denied. If the contribution lies in both the computer program as well as hardware, only then one is to proceed to check other steps of patentability.

Any advancement in the hardware has been explained as patent eligible in the guideline as seen above. However, hardware in any event does not fall within the exclusion of Section 3(k) and hence the guidelines do not provide any help in determining of the non-exclusions for computer programs which are not computer programs per se.

The guidelines provides 15 illustrative examples where the claims are to be considered as not patentable with not a single example as to what would be construed as patentable in the area of CRIs. The specific objective as to the exclusions under Section 3(k) also does not have any positive example for the innovators.

Moving Forward (or Moving Backward)

The new CRI guidelines seem to have moved back to its 2013 position, and even stricter stance, in the process of evaluating patent applications for CRIs. The IT industry is certainly perturbed with the new guidelines and general industry fails to understand the unbalanced approach taken by the Indian patent office. There are also concerns that the inputs provided by the innovating stakeholders, who wish to protect their IP, have not been taken into consideration in these guidelines.

The framing of the guidelines may achieve the objective of speedy examination with many claim rejections under Section 3(k) being indicated in the examination report, but there would be no quick disposal. As the applicant would prefer to argue his case based on the Patent Act and not the guidelines in view of lack of guidance for patentable subject matter. With the guidelines failing to clarify patent eligible CRI applications, the same would need to be determined on a case to case basis and await judicial interpretation for clarity.

Reference

1  http://www.ipindia.nic.in/.