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A cause for celebration?

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Abhishek Pandurangi



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New examination guidelines declare that software and business methods are patentable in India, clarifying the age-old perception to the contrary, but not everyone is happy, as Abhishek

Pandurangi of Khurana & Khurana reports.

In another milestone in an evolving patent system, the Indian Patent Office (IPO) in August released the formal examination guidelines for patent applications dealing with computer-related inventions. The highlight of the guidelines is the first ever official and loud pronouncement that software and business methods are in fact patentable in India, clarifying the age-old perception to the contrary. Like other developments in the Indian patent system, this has been surrounded by controversy, scepticism and celebration by different stakeholders.

The 21-page guidelines start with definitions and statutory interpretations, leading into concrete examples of what can be patentable subject matter governing computer-related inventions. The complete “Guidelines for Examination of Computer Related Inventions (CRIs)” can be accessed [here](#), while the official order for their release can be viewed [here](#).

Making reference to the legislative intent for the expression computer program *per se* in section 3(k) of the Patents Act, 1970, the guidelines lay down the premise for illustrating allowable software invention types and examples, while for business method patents the age-old technique of tying them down to a tangible technical feature is notably endorsed. The following are certain *verbatim* excerpts from the guidelines on those lines:

- *“Therefore, if a computer program is not claimed ‘in itself’ rather, it has been claimed in such manner so as to establish industrial applicability of the invention and fulfils all other criteria of patentability, the patent should not be denied.”*
- *“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 not be considered as exclusion under these provisions.”*
- *“The claims drafted not directly as ‘business methods’ but apparently with some unspecified means are held unpatentable. However, if the claimed subject matter specifies an apparatus and/or a technical process for carrying out the invention even partly, the claims shall be examined as a whole.”*

An example of a patentable claim is a method for estimating the length of time required to download one or more application programs on a wireless device over a wireless network.

Although the guidelines represent a plausible attempt to clarify, substantiate and exemplify what

is patentable when it comes to computer-related inventions in India, there are a few anomalies:

- There is a lack of detail in interpretation, especially of terms such as technical feature and technical contribution which are abstract and subjective;
- The guidelines exclude computer program products without proper legal basis, while other international systems including the European Patent Office (EPO), on which the Indian system often relies, say computer program products are patentable; and
- They provide misplaced illustrations that may face resistance in the most liberal of patent regimes such as:

“Method of encoding/decoding, method of encrypting/decrypting, method of simulation, though employing mathematical formulae for their operations may not fall under these exclusions.

“IF A HOLISTIC IMPACT IS TO BE ACHIEVED, THERE MUST BE MORE DETAIL IN THE GUIDELINES IN LINE WITH INPUT AND CONCERNS FROM STAKEHOLDERS.”

Illustrative examples of claims which are patentable:

A computer-implemented method comprising: identifying one or more person names in a set of one or more documents, with each identified person name more likely to refer to a single person in a profession than other person names in the document; identifying descriptive language from one or more documents, based on the identified names; and identifying within one or more documents other person names that refer to persons in the profession, based on one or more portions of the identified descriptive language.”

The position projected by the IPO through these guidelines (keeping aside the assumed anomalies) is not far from the post-*Alice Corp v CLS Bank* US patent regime and EPO standards on the patentability of computer-related inventions.

Now, if one takes a periscopic view of the times preceding the guidelines, the above excerpts are much in line with the practice followed at the IPO since one can remember. It does not take much research to dig out the many software and business method patents that have been granted for years as a strict legal interpretation of section 3(k) (along with the criterion of non-obviousness) has meant many software inventions going beyond computer programs *per se* and associated business methods substantiating inventiveness and technical effect were successfully prosecuted.

A few examples of granted software and associated business method patents between 2005 and 2015 are shown in Table 1.

As soon as the guidelines were published, an uproar of discussion, questioning and protests

followed. The guidelines were deemed by many as a licence to software patenting and a monopoly of business methods in India which favour large corporations and open the floodgates to increased litigation. A formal joint letter criticising the guidelines and requesting their withdrawal was sent to the government by several groups including the Centre for Internet & Society, Free Software Foundation of India, the Indian Institute of Technology Bombay and Mimir Technologies.

A portion of the letter states: “The guidelines in their current form, by providing for patenting of software, could place the Indian software industry, especially software product companies and startups, at the mercy of multinational corporations and patent holding entities who have amassed many patents in the area and continue to do so.

“The guidelines, by allowing for software patents, will make writing code and innovating in the area of software a dangerous proposition due to the chance of infringing on the patents held by big corporations.”

This indicates a widespread belief that software/business methods should not be patentable in India and anything to the contrary goes against the Patents Act. The major impact of these guidelines will be that they should allow software stakeholders to make more informed and effective strategies regarding patenting and tackling infringement, in turn boosting IP awareness and providing a positive impetus to the Indian software and internet industry. However, if a holistic impact is to be achieved, there must be more detail in the guidelines in line with input and concerns from stakeholders.

It is possible that litigation will now increase, not just because of more software patent filings, but also because of faster judgments and improved IP enforcement in the country. In any case, increased litigation can also be seen as a positive sign of patentees asserting their rights, which empowers startups and individual inventors as much as corporations.

Within the patent office, although the guidelines should not have any impact on the legal position for prosecution, they shall make the examiners more consistent and confident in prosecuting the computer-related applications, thereby improving the overall standard and the much-needed turnaround time of prosecution.

From a foreign filer’s perspective, protection of software innovations and improved prosecution experience would be a positive takeaway and lead to increased interaction with the Indian industry and *vice versa*.

In summary, the guidelines act as yet another milestone for the Indian patent regime in its pursuit of confidence-building and transparency. If they are revised effectively (they can be subject to revisions), they can have a far-reaching and positive impact on all relevant stakeholders.

Abhishek Pandurangi is a partner and attorney-at-law at [Khurana & Khurana](#). He can be contacted at: abhishekp@khuranaandkhurana.com