
Patent Office issues new set of guidelines for examination of computer related inventions

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Historically, IT companies in India began by undertaking procedural tasks and other low value work, relying on the availability of relatively inexpensive educated workforce. In the last five years, however, Indian companies have moved up the value chain, carving a niche for themselves and gradually attained proficiency in developing products and patentable innovations. This has brought a paradigm shift in the way the industry operates: the need to protect these innovations both within the country and abroad is now strongly felt. Further, India has become strategically important for multi-national corporations (MNCs) both as a consumption market and for establishing R&D centres to tap large base of engineering graduates that can innovate at a much lower cost. Obviously for any investment decision the MNCs want to carefully consider if their innovation will be protected. Thus it is an important issue for companies operating in this sector and for technology companies that use software for better efficiency and improving existing machines.

Provisions under the Patent Act

Indian law practice in relation to the protection of software and business methods is stringent, with section 3(k) of the Indian *Patent Act* clearly providing that “a mathematical or business method or a computer program per se or algorithm” is not patentable unless embedded in hardware – . Thus, in the literal sense, there is a bar on Patent being granted for a “computer software program” unless embedded with hardware. The protection for “computer software program” is available as a copyright work which is generally considered a weak protection.

Thus while examining the patent application in the software field, the Patent office would insist on the hardware component claimed being part of the software invention. In other words to be patentable, the software must be used in relation to specific hardware or, more precisely, a device or apparatus, and the claim must be for the device or apparatus used in conjunction with the software component. Besides novelty, inventive step and industrial applicability, the applicant must prove that the technical effect of the invention is substantial and that it results from the interoperability of the hardware and software components.

2013 Guidelines

To further clarify the position Patent office came out with guidelines in 2013. The guidelines required that the hardware should be a “dedicated hardware” and not a “general hardware component”. Hence, patent office would while examining the software applications would determine that not only the software but also the hardware component qualifies the novelty test. The guidelines created a very subjective and dilemmatic situation where the patent office often raised objection over the hardware being generic and so the software program lacks eligibility for patentability. This was obviously opposed by IT industry and representation made to clarify the amplitude of section 3(k).

2015 Guidelines

The newly issued guidelines (2015 Guidelines) are an attempt to bring uniformity in the Patent office practice. A section of software industry has described it as imparting a boosting impact on the software industry and thus on the growth of the Indian Economy. On the other hand some have described this as attempt to change the Patent Act or bring about policy change without having legislative approval.

The guidelines that are stated to be applicable with immediate effect which means the Patent examiners are to apply them for all pending application and new applications. The guidelines broadly lay down the following pointers for determination of excluded subject matter relating to Computer Related Invention under section 3(k) of the Patent Act.

- a. the substance of claims - taking the whole of the claims together, needs to be judged while ascertaining whether the matter falls under the exclusions of section 3(k)
- b. The claimed matter would be considered as novel if it involves a) a novel hardware or b) a novel hardware with a novel computer program or c) 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.
- c. Further, the invention is likely to pass the barrier of section 3(k), if answer to ANY of the following questions is in affirmative:
 - i. whether the claimed technical feature has a technical contribution on a process which is carried on outside the computer.
 - ii. whether the claimed technical feature operates at the level of the architecture of the computer.
 - iii. whether the technical contribution is by way of change in the hardware or the functionality of hardware.
 - iv. whether 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, whether the program makes the computer a better computer in the sense of running more efficiently and effectively as a computer.
 - vi. whether the change in the hardware or the functionality of hardware amounts to technical advancement.

Unlike the earlier issued guidelines which required a dedicated hardware system for the computer program to overcome the “software per se” objection, the latest guidelines provides that a claim with a novel computer program though with a known hardware component would likely to pass through the section 3(k) exclusion.

The guidelines also highlight that **mathematical methods** like calculations, formulation of equations and other methods directly involving mathematical calculation are examples of non-patentable matter. However, on the positive side, it is also emphasised that any computing or calculating machine, methods of encoding decoding, or any simulation methods employing

mathematical methods would be the patentable subject matter and the mere use of a mathematical formula in a claim, to clearly specify the scope of protection being sought, would not necessarily render the claim to be the “mathematical method”.

With regard to **Business method**, guidelines state that mere usage of the words such as business, business rules, sales shall not lead to conclusion of a Computer Related Invention being just a “Business Method”, unless the subject matter of claim is essentially about carrying out a business/trade.

In **tabular form** the current position on Patentability of software (taking 2015 guidelines into account) can be summarised as below.

Click [here](#) to view the table.

To sum up subject matter exclusions have been narrowed and this may see increase in filing and speedy prosecution of the patent applications in software domain.

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