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Article

Bar on mathematical methods under Indian Patents Act

By Piyush Sharma & Pulkit Doger

Introduction

In accordance with the Indian Patents Act, 1970 ('the Act'), Section 3 lists what are not considered to be inventions and therefore, non-patentable. Section 3(k) reads as follows:

3. 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.

The Manual of Patents Practice and Procedure (MPPP), with regard to Section 3(k), cites that 'mathematical methods' are acts of mental skill. Therefore, a method of calculation, formulation of equations, finding square roots, cube roots and all other methods directly involving mathematical methods are not patentable. With developments in computer technology, mathematical methods are used for writing algorithms and computer programs for different applications and the claimed invention is sometimes camouflaged as one relating to the technological development rather than the mathematical method itself. These methods, claimed in any form, are considered to be non-patentable.

Recently, with the increasing interest shown by various multi-national organizations in the Indian market, a significant increase in the filing of inventions involving the implementation of mathematical methods has been seen in India. While in the US and UK patent law has historical jurisprudence in this field, the merits of the statutory provisions in India relating to this aspect have not been tested so far. This article aims to analyze the

most recent decision of the Intellectual Property Appellate Board (IPAB) in a case which may shed some light on the examination of inventions relating to mathematical methods in India.

Electronic Navigation Research Institute v. Controller General of Patents and Designs

Hot on the heels of the draft guidelines, released by CGPDTM on 28 June 2013, on examination of computer related inventions, the IPAB, on 5th July 2013, ruled on the bar on patenting of mathematical methods, in *Electronic Navigation Research Institute v. Controller General of Patents and Designs*. The IPAB upheld the Deputy Controller's order which declined to accept the technical effect theory followed under European patent law and agreed with the Deputy Controller's reasoning that the Indian patent law does not provide for patents for mathematical methods even if the mathematical methods include a technical effect.

The appellant's patent application titled "A Chaos Theoretical Exponent Value Calculation system" pertains to a system for analyzing a time series signal based on Chaos Theory and for calculating a chaos theoretical exponent value (CTEV) thereof. The application mentions that the conventional CTEV calculation system assumes that the time series signal being analyzed is stable and is not chaotic. However, certain signals, such as a generic speech voice signal has temporarily changing dynamics as a plurality of vowels change in a complex manner in a short period of time.

This makes analysis of generic speech voice signal, using conventional systems, difficult. The applicant claims that his invention makes it possible to calculate a CTEV that could not have been so far processed in a dynamics-changing system and to perform the process thereof at a high speed and on a real time basis, and to calculate a CTEV even from a time series signal which includes noises. The amended claims submitted by the appellant are as follows:

“1. A system for analyzing speech voice signal comprising:

- a reading means (xi) for reading a speech voice signal to be subjected to a chaotic analysis;
- a cutting means (xi) for cutting out said read speech voice signal for each processing unit for calculating a chaos theoretical exponent value of said read speech voice signal, wherein said calculating means (xi) for calculating a chaos theoretical exponent value comprises:
 - a first calculation means for calculating a chaos theoretical exponent value with respect to said sampling time as a microscopic chaos theoretical exponent value, in said cut-out speech voice signal at a processing unit, and
 - a second calculation means for calculating the chaos theoretical exponent value of said speech voice signal with respect to a predetermined time as a macroscopic chaos theoretical exponent value, based on said microscopic chaos theoretical exponent value.

2. The system for analysing a speech voice signal as claimed in claim 1, comprising a means for receiving, as parameters, an embedding dimension D , an embedding delay time t_d , an expansion delay time t_e , a size of neighbourhood points set N , and the shortest period T_m and the longest period T_M of said speech voice signal; wherein said means for cutting out said speech voice signal for each processing unit cuts out a speech voice signal for each processing

unit $x=x(i)$ from said speech voice signal based on Equation 2 as herein described, where, when said read speech voice signal is $s=s(t)$, t_0 and t_1 in Equation 2 are given as t_0 and t_1 satisfying a periodicity condition predetermined by Equation 3 as herein described.”

Before the IPAB, the appellant alleged that the Deputy Controller had not substantiated the objection under Section 3(k) till the date of hearing. On the date of hearing, the Deputy Controller decided to reject the patent application as it related to a mathematical method. The IPAB stated that it was unable to comprehend what the appellant meant by saying that the objection was not substantiated. The IPAB stated that it is for the Controller to raise the objection and it is for the applicant to substantiate his case. The IPAB also stated that the Controller decides the objections and the reasons for the same need not be found in the order. The IPAB did not allow the appeal on this ground but stated it would be better if the Controller elaborates the reasons for the objections so as to provide clarity.

The IPAB's order also mentions the landmark cases of the United Kingdom which now forms the basis for determining the patentability of computer implemented inventions in the UK. The IPAB specifically referred to *Symbian v. Comptroller of Patents*. The IPAB seems to support the view that if there is “some technical advance on the prior art in the form of a new result, such as a substantial increase in processing speed” it might be possible to obtain a patent.

The appellant, on a different ground, stated that the Deputy Controller had wrongly negated the ‘technical effect’ and further incorrectly held that Indian patent law did not follow the EPC. The IPAB referred to its previous landmark case

on the patentability of business methods, namely, *Yahoo v. Rediff*, where a similar ground was raised. The IPAB reiterated its previous stand and stated that inventive step, which is a technical advance compared to the existing knowledge, should be associated with a feature which is not a part of excluded subject matter itself. The IPAB reiterated that the applicant, by citing economic significance or technical advance in relation to any of the excluded subjects, cannot insist upon grant of patent thereto.

The IPAB also seemed to endorse the decision in T. 543/2006 where it was held that:

“It cannot have been the legislator’s purpose and intent on the one hand to exclude from patent protection such subject matter, while on the other hand awarding protection to a technical implementation thereof, where the only identifiable contribution of the claimed technical implementation to the state of the art is the excluded subject-matter itself.”

Considering the facts of the current case, the IPAB concluded that the technical advance mentioned in the specification was “a mathematical method for solving mathematical claims which are further based on various algorithms.” Thus, the contribution of the applicant was within the scope of subject matter excluded from patentability under the Indian Patent Law. The IPAB upheld the Deputy Controller’s order and reasoning that just because a mathematical method is a technical advancement over the state of the art it cannot overcome a rejection under Section 3(k).

It will also be interesting to see further development on interpretation involving Section 3(k) as the issues still lack clarity.

[The authors are, respectively, Associate and Senior Associate, IPR Practice, Lakshmikumaran & Sridharan, New Delhi]

Ratio Decidendi

IPAB has power to grant interim stay – Guidelines for stay orders, laid down

A Larger Bench of the Intellectual Property Appellate Board (IPAB) has held that it has power to grant interim stay. It observed that if it were to hold that IPAB has no power to entertain any interim application or to pass orders thereon, it would result in collapse of the purpose for which the Board was created. It held that IPAB has the power but shall not exercise it arbitrarily. Further, for passing interim orders, i.e. orders in the nature of stay or injunction, the Board laid down five guidelines.

According to these guidelines, the Board will first explore the possibility of decision in the main matter expeditiously; no interim orders shall be granted without hearing the other side as provided for in Section 95 (2) of the Trade Marks Act ; if the trademark or patent has been in force for a considerable period that will be a condition against grant of interim order; factors like prima facie case, balance of convenience, irreparable injury and hardship shall be kept in mind; and that the order would preferably be so worded as to bind only the parties to the proceedings and no one else. While holding so the Board noted

Supreme Court's observation that the IPAB is a judicial tribunal and hence what applies to quasi-judicial tribunals or executive tribunals may not apply to the IPAB. It was further observed that the possible difficulties that may ensue cannot be the reason for holding that there is no power to grant interim order. [*Shreedhar Milk Foods Pvt. Ltd. v. Vikas Tyagi* – IPAB Order No. 148 of 2013, dated 8-7-2013]

IPAB has power to review own orders

The Intellectual Property Appellate Board (IPAB) has held that it has the power to review its own orders. It was noted that if the litigant had the right of review before the High Court either in appeal or in application, when the appeals were transferred to the IPAB, it cannot be taken away by the Board. It was noted that for the purpose of dispute resolving power and procedure, the IPAB is a substitute for the High Court. The Board also held that Section 92 (1) of the Trade Marks Act gives wide and unambiguous power to the IPAB to regulate its own procedure and that they need not be bound by the procedure laid down in the Code of Civil Procedure. It was further noted that words “any other matter” in Section 92(2) cannot be construed to exclude the power of review as “powers of review” are not different from those powers mentioned in Section 92 (2) (a) to (c).

The IPAB, noting that C.P.C. provides for the right to file a review to a person aggrieved by an order from which no appeal is allowed, also held that when there is no right of appeal, the power of review must be held to be implied. In this regard, it was noted that there is no express bar for review and further Rule 23 would become meaningless if it is held otherwise. Further, the Board was of the

view that once the power of review is found and is implied in the statute, then whether the orders passed are interim orders or final or decision or judgment is not material. It held that this power to review is not limited to procedural errors but extends to substantive review but cannot extend to rehearing of the matter. [*Aachi Masala Foods (P) Ltd. v. S.D. Murali* – IPAB Order No. 147 of 2013, dated 8-7-2013]

Laudatory mark can acquire distinctiveness

An expression may be prima facie laudatory but can qualify for registration if it acquires distinctiveness. Examining the application for removal of ‘champion’ registered for safety/razor blades, the IPAB held that having acquired distinctiveness (over a period of 40 years), the trademark could remain on the register. The applicant had argued that the condition of ‘for export’ in respect razor blades was not satisfied and that ‘champion’ was a laudatory expression. However, on facts, the applicant itself had offered to hold stake in the business of the respondent and was estopped from challenging the mark on the ground of it being descriptive. The IPAB also did not find force in the argument that to be ‘well known’ the recognition must be amongst at least 90% of the public. Differing from English jurisprudence, the IPAB opined that the impugned mark had been on the register for more than 40 years and was entitled to protection. [*Gillette India Limited v. Harbans Lal Malhotra & ors*, IPAB Order dated 21-6-2013]

Trademarks - Considering mark as a whole & class of consumers, relevant

Disagreeing with the reasoning of the Registrar in refusing to register ‘Royal Orchid Hotels’ as

trademark, the IPAB held that the mark has to be considered as a whole and there is no likelihood of confusion with 'Orchid'. The IPAB observed that in the instant case of service industry, the class of customers (in high income group) is not likely to be confused. The tribunal also did not

find the adoption to be dishonest since as per public documents like approval by Registrar of Companies for changing the name, the applicant proved that he had adopted the name even before the date of user claimed by the respondent. [Royal Orchid Hotels v. Registrar of Trade Marks, IPAB Order dated 18-6-2013]

News Nuggets

IPO issues draft guidelines for patentability of computer related inventions

Indian Patent Office has issued draft guidelines for examination of patent applications on Computer Related Inventions (CRIs). The draft released on 28th of June, using quite a few illustrations, aims to foster uniformity and consistency in the examination of such inventions while discussing the procedure to be adopted by the examiners and the jurisprudence in granting or rejecting patents in the field of technology. The guidelines make use of several definitions from the Information Technology Act, 2000 besides defining 'technical effect' and 'technical advancement'.

As per the guidelines, mathematical methods, which are acts of mental faculty, and business methods even with the help of technology, are not considered patentable. It is further provided that claims relating to computer program product, which are computer programs *per se* expressed on computer readable medium, are not allowable. It has been noted that examination procedure of such inventions is common to the extent of considering novelty,

inventive step and industrial applicability, but greater skill is required to examine if the claimed matter related to the excluded category. The examiners have been advised to exercise caution in determining integration of novel hardware with the computer program and hence the guidelines state that determining whether the hardware is program specific or whether the program is hardware specific is important. The draft, giving illustrations, also requires the examiners to rely on the substance of the claim and not the form while determining patentability of computer related inventions. As per the draft guidelines, claims in means plus function form will be rejected unless the structural features of said means are disclosed in the specification. These draft guidelines also give a flow chart of procedure for examination of such claims.

EU implements new regulations for Customs enforcement of IPR

European Union has implemented new regulations, containing procedural rules, to arm the customs authorities in the EU to deal with IPR infringements more stringently. The

Regulations adopted by the Commission on 16th May, 2013 and circulated through document 2013/C 170 E/02, dated 15-6-2013 widen the list of IPR infringements. But they have not been made applicable to goods carried by passengers in their personal luggage for own use. The new Regulations, in addition to the rights already covered by Regulation (EC) No 1383/2003, now include trade names in so far as they are protected as exclusive property rights under national law, topographies of semiconductor products and utility models and devices which are primarily designed, produced or adapted for the purpose of enabling or facilitating the circumvention of technological measures. Illegal parallel trade and overruns however remain excluded from these new regulations as well. Persons or entities seeking enforcement of Union-wide rights have been

directed to apply to the customs authorities of a single member State.

Shaping distinctiveness

Shape apparently scores over taste when it comes to chocolates. The IP world has seen fights over the bunny shape in EU and the recessed rectangle shape in US. The UK IPO recently opined that the Nestle's four-fingered chocolate bar was purely functional – for ease of breaking and consuming and the breaking grooves in the shape only performed the technical effect of indicating to consumers where to break the bars. Thus, there was no aesthetic appeal in the ridge and rounded corners which were anyway visible only after the consumer unwrapped the chocolate. Interestingly, Nestle was able to convince Office for Harmonisation in the Internal Market (OHIM) Board of Appeal that it had acquired distinctiveness for use in the EU.

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