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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 20.12.2023

CORAM

THE HONOURABLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

(T)CMA(PT)/109/2023
(OA/13/2018/PT/CHN)

1.Priya Randolph,
145/1B1, Behind Vintage Elite Apts,
BTM 4 Stage, Bannerghatta Road,
Bangalore 560 076, Karnataka, India.

2.Rohit Chaturvedi,
B007, Vistar Classic,
Classic Paradise Layout,
Begur Main Road,
Bangalore 560068, Karnataka, India.

... Appellants

(Amendment of cause title carried out as per the order dated 12.09.2023 in CMP(PT) No.1/2023 in (T)CMA(PT) No.109/2023 passed by SKRJ)

-VS-

The Deputy Controller of Patents and Designs,
Boudhik Sampada Bhavan, S.M.Road, Antop Hill, Mumbai,
Maharashtra 400 037.

... Respondent



WEB CO **PRAYER:** Transfer Civil Miscellaneous Appeal (Patents) is filed under Sections 15 and 117-A of the Indian Patents Act, 1970, praying to pass an order in favour of patent grant by reversing the Controller's Decision, dated July 31, 2017, refusing grant of patent for application numbered 201641026786.

For Appellant : Mr. Ramesh Ganapathy
for M/s. Kartik Puttaiah
For Respondent : Mr. P. R. Ramesh Babu, SPC

JUDGMENT

The appellant filed Application No. 201641026786 for grant of patent to an invention titled "For selectively concealing physical address information". In response to a request, the First Examination Report (FER) was issued on 15.09.2016. In the FER, objections were raised *inter alia* on the grounds of lack of inventive step and Section 3(k) of the Patents Act, 1970 (the Patents Act). As regards Section



3(k), the FER recorded that claims 1 to 41 fall within the meaning of "computer programme *per se*" under Section 3(k). Pursuant to the appellant's response to the FER, the hearing notice was issued on 05.06.2017. In the hearing notice, an objection with regard to sufficiency of disclosure was raised for the first time. As regards the objection under Section 3(k), the objection was maintained, albeit by stating that the claims relate to a business method. Eventually, by impugned order dated 31.07.2017, the application was rejected by referring to Section 3(k) and concluding that the claimed invention is a business method. The present appeal arises in the said facts and circumstances.

2. Learned counsel for the appellant invited my attention to the complete specification and pointed out that the claimed invention relates to privacy and data protection. In order to substantiate this submission, he referred to independent claim 1 and claim 25. He next pointed out that no objection was raised in the FER with regard



to sufficiency of disclosure, but such objection was raised in the hearing notice. As regards the objection under Section 3(k), learned counsel submitted that the nature of objection transformed from an objection on the ground that the claimed invention is a computer programme *per se* to an objection that it is a business method.

3. With regard to the conclusion that the claimed invention is a business method, learned counsel referred to the Guidelines for Examination of Computer Related Inventions (the CRI Guidelines) issued by the office of the Controller General of Patents, Designs and Trade Marks in 2017. By drawing reference to paragraph 4.5.2 thereof, learned counsel submitted that a claim is required to be treated as a business method as per the guidelines, only if it is a business method in substance. By reiterating that the claims relate to a system for selectively concealing information relating to physical address, learned counsel concluded his submissions by stating that the claimed invention cannot be construed as a business method.



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4. In response to these submissions, learned counsel for the respondent submitted that Section 3(k) of the Patents Act excludes from patentability claims relating to a business method. By pointing out that the appellant's claims relate to a method of conducting e-commerce business, learned counsel submits that it falls within the scope of Section 3(k). Without making any concession on the merits of the application, learned counsel submitted that the matter may be remanded for a more detailed consideration.

5. The operative portion of the impugned order is as under:

"iv. The claims 1-39 submitted with hearing written submission disclose interaction and communication among user, e-commerce platform, logistic company and delivery executive. The interaction and communication ensures delivery of purchased product to the user by preserving privacy of the user by concealing his physical address at various levels involved in transaction of



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product from the stage of purchase to delivery.

v. From points (i) to (iv), it is evident that although invention takes care of privacy of the user during transactions to be carried out through e-commerce platform, the claims relates to completion of the transaction i.e. from the stage of purchase of the product to the delivery of the product through the channel of e-commerce platform, logistic company and delivery executive which is purely a business activity. Hence, subject matter of claims 1-39 filed with hearing written submission relates to business method and falls within scope of section 3(k) of the Act."

6. From the above extracts, it is evident that the respondent concluded that the claimed invention relates to a business method after noticing that the claimed invention relates to e-commerce involving communication and interaction as between the participants in e-commerce transactions. In order to examine whether the above conclusion is tenable, it is necessary to extract Section 3(k), which is



as under:

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*"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;"*

7. From Section 3(k), it emerges that four types of patent claims are dealt with: a mathematical method; a business method; a computer programme *per se*; and algorithms. The CRI Guidelines provide guidance with regard to business method. Paragraph 4.5.2, which deals with business method, is set out below:

"4.5.2. Claims directed as "Business Method": *The term 'Business Methods' involves whole gamut of activities in a commercial or industrial enterprise relating to transaction of goods or services. The claims drafted not directly as "business methods" but apparently with some unspecified means are held non-patentable. 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. When a claim "business methods" in substance, it is not to be considered a patentable subject matter.

However, mere presence of the words such as "enterprise", "business", "business rules", "supply-chain", "order", "sales", "transactions", "commerce", "payment" etc. in the claims may not lead to conclusion of an invention being just a "Business Method", but if the subject matter is essentially about carrying out business/trade/financial activity/transaction and/or a method of buying/selling goods through web (e.g. providing web service functionality), the same should be treated as business method and shall not be patentable."

8. The CRI Guidelines, which provide guidance but should not be construed as providing an authoritative interpretation of Section 3(k), indicate that a claim would be construed as a business method if the claim is, in substance, for a business method. On examining the appellant's claims, especially independent claim 1, it appears that the



claims are directed at concealing the physical address of the purchaser of goods in e-commerce transactions by deploying software, hardware and firmware for such purpose. While it is possible that the conduct of e-commerce in this manner may be part of the business method of an enterprise if the claimed invention were to be put to use, the monopoly claim is not in respect of a business method but in respect of a claimed invention deploying hardware, software and firmware for purposes of data privacy and protection. Therefore, the conclusion that the claimed invention relates to a business method is untenable.

9. Consequently, the impugned order is set aside and the matter is remanded for re-consideration on the following terms:

(i) In order to preclude the possibility of pre-determination, an officer other than the officer who issued the impugned order shall undertake such re-consideration.



(ii) After providing a reasonable opportunity to the appellant, a reasoned decision shall be issued within a period of *four months* from the date of receipt of a copy of this order.

(iii) Except for the conclusion with regard to business method, it is made clear that no opinion is expressed herein on the merits of the application.

10. (T)CMA(PT)/109/2023 is disposed of on the above terms without any order as to costs.

20.12.2023

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Index : Yes / No

Internet : Yes / No

Neutral Citation: Yes / No



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