

\$~

\*

**IN THE HIGH COURT OF DELHI AT NEW DELHI**

*Reserved on: 13<sup>th</sup> February, 2023*

*Date of decision: 11<sup>th</sup> May, 2023*

+

**C.A.(COMM.IPD-PAT) 14/2021**

OPENTV INC..... Appellant

Through: Ms. Vindhya S. Mani, Ms. Justina Mathew, Mr. Gursimran Singh Narula, Ms. Vaishali Joshi and Mr. Rishabh Paliwal, Advocates (M: 9717065125).

versus

**THE CONTROLLER OF PATENTS AND DESIGNS**

AND ANR..... Respondents

Through: Mr. Harish Vaidyanathan Shankar, CGSC with Mr. Srish Kumar Mishra, Mr. Sagar Mehlawat and Mr. Alexander Mathai Paikaday, Advocates.

**CORAM:**

**JUSTICE PRATHIBA M. SINGH**

**JUDGMENT**

**Prathiba M. Singh, J.**

The present judgment consists of the following sections:

S. No.	Section	Page No.
1.	Background	2
2.	Facts	3
3.	Submissions	7
4.	Analysis and findings	17
5.	Appendix 1: Originally Filed Claims	44
6.	Appendix 2: Final Claims considered by Patent Office	47
6.	Appendix 3: Alternative Claims filed before Court	51

**Background**

1. The Appellant is a company incorporated under the laws of United States of America with address at 275 Sacramento Street, San Francisco, California 94111, USA. The Appellant company is engaged in providing interactive and enhanced television solutions and claims to leverage its technologies and worldwide patent portfolio in providing such services and solutions.
2. The present appeal has been filed by the Appellant- OpenTV Inc. seeking *inter alia*, an order to set aside the decision dated 31<sup>st</sup> May, 2021 (*hereinafter 'impugned order'*) issued by the office of the Respondent-The Controller of Patents and Designs. The impugned order refused the application for grant of a patent titled '*System and method to provide gift media*' bearing Application No. 2564/DELNP/2012, filed on 23<sup>rd</sup> March, 2012 (*hereinafter 'subject patent'*), under Section 15 of the Patents Act, 1970 (*hereinafter 'the Act'*). The subject patent application is stated to be a network architecture and a method implemented on the same to enable the exchange of interactive media content distribution of any type of digital or tangible media.
3. The subject patent application has been refused on the ground that the scope of the claimed subject matter of the subject patent falls within Section 3(k) of the Act and therefore, is not patentable, as also on the ground that the amendment of Claims dated 10<sup>th</sup> December, 2020 do not meet the criteria of Section 59 of the Act.

**Facts**

4. The subject patent application has been filed in India as a National Phase Application arising from a PCT Application No. PCT/US2010/047874. The International Filing Date of the PCT application is 3<sup>rd</sup> September, 2010, claiming priority from a US Patent Application, with a priority date of 3<sup>rd</sup> September, 2009. The National Phase Application for the subject patent in India has been filed on 23<sup>rd</sup> March, 2012. The Appellant filed a request for examination for the said application on 2<sup>nd</sup> September, 2013. The subject patent application was published as per Section 11A of the Act on 28<sup>th</sup> August, 2015.

5. A First Examination Report (*hereinafter 'FER'*) with a statement of objections was issued on 20<sup>th</sup> April, 2018. In the said FER, objections of lack of novelty, lack of inventive step and non-patentability under Sections 3(k) and 3(m) of the Act were raised by the Controller. In addition, the ground of insufficiency of disclosure and definitiveness in the claims, under Sections 10(4)(c) & 10(5) of the Act, were also raised by the Controller in the said FER.

6. The prior art document D1, a US Patent bearing number US2006095338 was cited by the Controller in support of the objection of lack of novelty. In addition, to substantiate the objection of inventive step, prior art documents D1 and D2 bearing number US2009054092 were cited by the Controller. The details of the prior art documents cited by the Controller are as under:

- (i) D1: US2006095338, with Publication Date 4<sup>th</sup> May, 2006, titled '*Strategies for gifting resources*'
- (ii) D2: US2009054092 with Publication Date 26<sup>th</sup> February, 2009,

titled '*Interactive Interface for Devices Supporting Communication Employing Sender-Specified Media Content*'

7. The Appellant filed its response to the said FER on 2<sup>nd</sup> August, 2018 and amended the claims of the subject patent application. In the said amendment, the Appellant deleted Claims 3, 20, 21 and inserted Claims 16-21. In the said response to the FER, the Appellant claimed that the amended claims disclosed a system and method to retrieve and gift a media item from an interface. This system and method as per the Appellant were novel over prior art D1 as it has the additional feature of presenting different versions of the media item which is being presented to the user for gifting.

8. In the FER reply, it was the contention of the Appellant that the amended Claims were satisfying the inventive step requirement with the following differentiating features:

- "a) presenting on a user interface a presentation of versions of the media items;*
- b) receiving, while the media item is being presented on the user interface, an indication to gift a version of the media item;*
- c) receiving the indication, causing a display of a list of a plurality of different versions of the media item on the user interface."*

9. With regards to the objection of Section 3(m) of the Act, the Appellant deleted Claim 20 and 21 of the originally filed Complete Specification and amended the Claims to include structural features. In addition, it was contended that the method claimed in the Claims disclosed a process to solve a real-world problem and resulted in a tangible output.

10. For persuading the Controller to waive the objection under Section 3(k) of the Act, the Appellant contended that the scope of the Claims was

neither addressed towards a computer program *per se* nor directed towards a business method. Reliance was also placed on the ‘*Guidelines for Examination of Computer Related Inventions, 2017*’ issued by the Office of the CGPDTM. It was claimed by the Appellant that for exclusion of patentability under Section 3(k) of the Act, the invention should be judged on the substance of the Claims as a whole and it also needs to be assessed whether the invention has practical applications. In this regard, the Appellant claimed that the subject matter of the Claims relates to selection and distribution of data, such that a user may select a media item from a plurality of media items and the selected media item can be delivered to another user via communication network, when the media item has been purchased. In addition, it was claimed that the subject patent application was directed towards the practical application of synchronizing the data between plurality of applications running on different synchronization endpoints and not merely a computer programme or set of instructions.

11. In an attempt to counter the objection of exclusion from patentability on the ground that the Claims were directed towards a business method, the Appellant claimed that the subject patent application provided a technical selection and distribution of the media items. In support of this contention, the Appellant relied on its amended claims directed towards a user interface presenting media items to be gifted along with a list of a plurality of different versions of the said media item.

12. After perusing the reply to the FER of the Appellant, the Controller gave a hearing notice dated 2<sup>nd</sup> November, 2020 for the hearing scheduled on 25<sup>th</sup> November, 2020. In the said hearing notice, all the objections raised in the FER were retained by the Controller. The Appellant attended the

hearing and thereafter submitted written submissions dated 10<sup>th</sup> December, 2020 in support of the arguments made in the hearing.

13. In the said written submissions, the Appellant made further amendments to overcome the objection of clarity and conciseness and also submitted that the modules recited in Claim 22-24 were actually functional components of the claimed system and described in detail in paragraphs [0050] to [0053] the complete specification. In addition, the Appellant responded to all the objections with respect to the Formal Requirements.

14. For overcoming the objection raised under Section 2(1)(ja) of the Act, the Appellant claimed that the subject patent application disclosed differentiating features in comparison to the prior art documents cited by the Controller. In particular the Appellant claimed that the prior art document D1 did not disclose any techniques to receive instructions or indications over an auxiliary network and if such instructions were received in the system used by D1, it would disrupt the communication between the gift provider and the gift receiver, which would ultimately result in inferior communication performance. In respect of D2, it was claimed by the Appellant that there was no disclosure of techniques for receiving indications representing information related to selection of media item and recipient details, over an auxiliary network and also no disclosure that would enable a person skilled in the art to utilise a return channel, different from the main distribution network for the purpose of sending gift media. Therefore, it was claimed that D2 did not describe the type of network architecture which was implemented by the Appellant for enabling gifting of media items.

15. To address the objection raised under Section 3(k) of the Act, the Appellant cited various decisions, including decisions of the IPAB and International Courts to claim that when the subject matter involved technical contribution and resulted in technical effect, the same ought to be granted a patent. The said decisions relied upon by the appellant are as follows:

- *Ferid Allani v. Assistant Controller of Patents & Designs, OA/17/2020/PT/DEL*
- *Aerotel Ltd. v. Telco Holdings Ltd. & Ors, Rev 1 [2006] EWCA Civ 1371*
- *Symbian Ltd. v. Comptroller General of Patents, [2008] EWCA Civ 1066*
- *HTC Europe Co Ltd v. Apple Inc, [2013] EWCA Civ 451*

16. Finally, in an attempt to counter the objection raised under Section 59 of the Act, the Appellant contended that the amendments carried out were only clarificatory in nature and were in fact narrower in scope as compared to the Originally filed Independent Claim 1. It was also their contention that the said narrowing of the Claim is an amendment which is affected by way of disclaimer and thus, permissible under the scheme of the Act.

17. However, even after the contentions made by the Appellant, the Controller refused the application for grant of the patent under Section 15 of the Act. Aggrieved with the said decision, the Appellant has filed the present Appeal under Section 117A of the Act.

### **Submissions**

18. The hearings in this matter went on over several dates. On 22<sup>nd</sup> April, 2022, Ms. Vindhya S. Mani, Id. Counsel appearing for the Appellant, submitted that the addition of dependant claims does not violate Section 59 of the Act. All the claims from 16 to 21 are dependant claims. She relies upon paragraph 18 of the *AGC Flat Glass Europe SA v. Anand Mahajan*

*and Ors.*, (2009) ILR 4 Delhi 256, to argue that so long as the scope of the claim is not enlarged and it is within the overall claims which are already filed, the dependant claims ought to be considered. In addition, Id. Counsel relied upon the decision dated 31<sup>st</sup> December, 2020 of the IPAB in *OA/24/2020/PT/CHN* titled *The University of British Columbia v. Controller of Patents*, to claim that dependant claims may be added at any stage of the prosecution of the patent.

19. Ld. Counsel for the Appellant therefore submitted that in the present case, there has been no assessment by the Controller as to how the Appellant has expanded the scope of the present independent claims. She, secondly, submits that the patent itself has been rejected under Section 3(k) of the Patents Act, on the ground that the claims relate to business methods. She points out that the reasoning given by the Controller is that because there are financial gains by sharing of the media between the users, it is in effect a business method. Ld. Counsel further relied upon the judgment dated 22<sup>nd</sup> March, 2006, of the Board of Appeal of the European Patent Office in *Quest International BV, Case Number: T 0619/02 – 4.4.02*, to argue that merely because there are financial gains which can be achieved through a particular patented invention would not lead to an automatic conclusion that the same is a business method claim.

20. Ms. Mani, Id. counsel relies upon the network architecture to show that the novelty resides in the two-way communication channel between the headend system and the set-top-box. Thus, in the existing art, there was only a one-way communication between the headend system and the user, whereas as is clear from the architecture in the complete specifications of the patent, specifically in Figure 1 and Figure 3 which clearly shows how



that the set-top-box i.e., the user is also able to communicate back with the headend system which hitherto was not possible. She, thus, submits that there is a clear technical advancement in the claims and the mere use of the word “method” in Claim 1 should not completely deprive the Applicant to obtain a patent on a novel and an inventive system.

21. In support of this argument, she relies upon paragraph 46 of the decision of IPAB in *Yahoo Inc. v. Assistant Controller of Patents and Designs and Ors., 2012 49 PTC 502*. As per Ms. Mani, Id. counsel it is the network architecture which is being claimed by the Appellant and the mere fact that through the use of the network architecture, some new business i.e., the providing of the media as a gift, can be conducted would not deprive the applicant of the patent on the method of providing of the media as a gift.

22. Mr. Harish Vaidyanathan Shankar, Id. Counsel for the Respondent, on the other hand, submitted that a perusal of the Claims itself would show that the subject patent is a business method as the focus of the Claims is on the aspect of giving a media item as a gift. There is no ambiguity in Claim 1 in the fact that it is meant to promote the user with a method to give the media item as a gift which is nothing but a business method.

23. He, thus, submitted that this would be hit by Section 3(k) of the Act. Insofar as the novelty and inventive step in the invention is concerned, the Patent Office has already held that the said requirements have already been satisfied. Thus, the only issue is whether the patent would be liable to be rejected in view of the objections under Section 3(k) of the Act and if the amendment to the Claims of the patent would be allowable under Section 59 of the Act.

24. On 22<sup>nd</sup> April 2022, Id. Counsel for the Appellant was also asked to seek instructions if the Appellant intends to prosecute the claims as they stand or whether any further amendments thereto are to be made. Pursuant to the said order, Id. Counsel for the Appellant on 18<sup>th</sup> May, 2022 filed an alternative set of claims which the Appellant wishes to prosecute in the appeal. The amended set of claims were handed over to the Id. Counsel for the Respondent.

25. Mr. Harish, Id. CGSC for the Respondent raised two objections to the amendments sought. First, whether such an amendment of claims can be entertained at the appellate stage and, secondly, whether the scope of the claims, as was considered by the Patent Office in the impugned order, is being changed by such amendments. The Respondent was also directed to file a response to the said amended claims. In compliance with the said order, the Respondents filed a response dated 24<sup>th</sup> July, 2022.

26. In the response to the Amended Claims, the Respondent claimed that there is no provision to amend the Claims at Appellate stage where the application is refused by the Controller under Section 15 of the Act. It was observed by the Respondent that the amended system Claims 4 to 16 were newly added system claims which were never claimed in originally filed claims. It was the contention of the Id. Counsel for the Respondent that this amendment of Claims ought not to be allowed as it is an attempt to seek protection for the subject matter which was never claimed in originally filed claims, which in violation of Section 59 of the Act as also the principle that *'what is not claimed is disclaimed.'*

27. In addition, in the said response, it was also contended by the Respondent that the claimed subject matter, when read as a whole

essentially involves financial and business activity, which falls within the scope of Section 3(k) of the Act, which prohibits patentability of business methods. As per the Respondent, the system or method, in whatever terminology being claimed, corresponds to providing a media item as a gift to a recipient, by placing order for the media and making the requisite payment for the order and resultantly triggering delivery of the ordered media to the recipient. Reliance is placed by the Respondent on the preamble of the Claims of the subject patent to claim that the purpose of the invention is to provide media item as a gift and thus, ought not to be granted a patent.

28. Further submissions were made by Ms. Mani, Id. Counsel for the Appellant on 26<sup>th</sup> July, 2022. It was argued that the latest set of Claims which have been filed before the Court, after carrying out amendments, would show that all the method claims have been deleted and the system Claim which was originally, Claim 17 has been now modified as Claim 1. The amended Claims 1 to 3 are now system Claims with Claims 4 to 16 consisting of limitations to the system claims, which were earlier contained in the method claims. In addition, some of the steps involved in the method Claims have been added in the main claim as dependant Claims.

29. Ld. Counsel for the Appellant also handed over a tabulated chart showing the comparison of Claims granted in the corresponding patent applications in US, Australia, Canada and Japan, with a comparison of the Claims in the Indian patent application. She submits that the Claims now as filed are fully within the scope of the originally filed Claims.

30. Mr. Shankar, Id. Counsel, on the other hand, submitted that the changing of the method Claims to system Claims in this manner, so long as

it is a system to provide something as a gift would in effect constitute a business method. Thus, even the amended Claims, would continue to be hit by Section 3(k) of the Act.

31. On the next date of hearing, 23<sup>rd</sup> August, 2022, Ms. Mani, Id. Counsel, while referring to the impugned order submitted that the impugned order dated 31<sup>st</sup> May, 2021 issued by the Id. Controller would clearly show that the Controller acknowledges the existence of a network architecture but since the invention is directed towards providing media as a gift, the Id. Controller interpreted the same to be a business method patent. She relied upon pages 16 and 17 and the findings therein of the Controller's orders in support of this submission. It is therefore, her contention that once the Controller holds that the network architecture with the ordering media is the primary aspects of the invention, it would not fall foul of Section 3(k) of the Act. In an attempt to further amplify this contention, it was submitted that the essence of the invention is therefore directed to the technical contribution and not directed to a business method alone. She submits that after a reading of Claim 1 in the amended Claims and the various steps which have been explained in the said Claim, it is clear that ultimately the effect of the invention could be that a gift is received by a third party. However, the architecture used, especially the use of a return channel is in respect of the technical architecture only and not directed at the business method.

32. In conclusion, she submitted that the network architecture having been created in this novel manner, the effect of the architecture, should not merely be used to reject the patent application as, almost all inventions are put to business use. The effect of the invention would be monetary in most

inventions, however that would not prohibit grant of the patent under Section 3(k) of the Act as long as technical effect can be shown. Thus, if the technical architecture is innovative and novel, then the same is liable to be granted a patent.

33. *Per Contra*, Mr, Harish, Id. Counsel for the Respondent that if the process of gifting is sought to be patented, then the same would be a business method and the architecture used for that process would be irrelevant. He highlights the background of the specification and the field as described in the patent specification to argue that the entire purpose of this invention is itself for gifting and hence the objection under Section 3(k) of the Act would be squarely attracted.

34. Ms. Mani, Id. Counsel made submissions on the issue of what constitutes business method on 24<sup>th</sup> August, 2022. She first cited the decision of the Patents Court of the England and Wales High Court in *Lenovo (Singapore) PTE Ltd. v. Comptroller General of Patents, 2020 EWHC 1706 (Pat)* to highlight that the UK Patents Court while examining the manner of making contactless payments through multiple credit cards and obviating the need for pushing a button when a wallet consisting of the multiple cards is placed on the card reader, held that even a method for automatic handling at the point-of-sale devices is a technical contribution. In examining the said patent directed towards automatic handling, the UK Patents Court considered the decision in *Aerotel Ltd v. Telco Holdings, [2006] EWCA Civ 1371*, which provided four steps test for considering as to whether a particular patent application relates to business method or not as also decision of the UK Patents Court in *AT&T Knowledge Ventures/CVON Innovations v. Comptroller General of Patents [2009]*

*EWHC 343 (Pat)* wherein the manner in which the technical effect in the claimed subject matter can be identified is set out in the form of five ‘signposts’.

35. Ms. Mani urges that in *Lenovo (Supra)* there were two objections concerning the exclusion from patentability, one on the basis of being computer programme as such and secondly on the subject matter being a business method. While holding that the application did not relate to a business method, the Court examined the effect of invention in the real world i.e., the need for pressing a button being eliminated. This feature of the invention, which was automatic choosing of the card for making of the payment without the physical step was held to be technical in nature and the Court allowed the patent to proceed for grant after holding that the claimed subject matter is not a business method. She further placed reliance upon the ‘*Guidelines for Examination of Schemes Rules and Methods for doing a Business*’ published by the EPO, which lays down the test to be applied when subject matter may relate to a business method being that of the result of technical implementation and contribution to the technical character.

36. The second decision relied upon by Id. Counsel for the Appellant is the decision dated 8<sup>th</sup> September, 2009 of the Technical Board of Appeal of the EPO in *T 0384/07* filed by European Tax Free Shopping Limited. It is her contention that the said decision while dealing with the corresponding exclusion under Articles 52(2) and 52(3) of the European Patent Convention, it was clearly held that if the method claimed involves a technical means for the technical implementation of the business scheme, then it would not merely be a business method and thus, be patent eligible subject matter.

37. She concludes her submissions by reiterating that the Revised CRI Guidelines issued by the Indian Patent Office in 2017 have specified that while assessing the claims the importance is to be given to the substance and not the form. Thus, merely because some terminology may have been used to suggest carrying on of business, the Claims will need to be examined as a whole by looking at the substance of the Claims.

38. Mr. Harish V Shankar, Id. CGSC for the Respondent submitted that the two-way communication, which the amended Claims seek protection over is a complete misnomer. It is his submission that whether it is a gift to a third party or a gift to oneself, it is merely a purchase which can be effectively done by any existing method and no novelty resides in such an invention. He submits that in any event, if the method of purchase or gifting is the subject matter of the patent application, then it is completely hit by non-patentability as given in Section 3(k) of the Act. It is his submission that this is because the purpose of the invention is to merely enable sale or purchase, which constitutes a business method.

39. Ld. Counsel for the Respondent submits that the invention is nothing but a mobile application and there is no two-way channel as is being claimed by the Appellant. He makes a reference to Claim 6 to 9 of the amended claims to argue that the second channel of communication can be on the same device and, therefore, it is nothing but another menu option on the same device. With respect to the argument made on the network architecture, he contended that the existence of two separate networks does not mean that there are two separate devices, it merely means that there are two options on the same device.

40. Finally, it was submitted that the Appellant is merely engaging in semantics by changing the word 'method' to 'system' and creating an artificial distinction between a business method and a hardware-based application. He highlights paragraph [0003] and paragraph [0019] of the Description of the complete specification to reinforce this submission.

41. Ms. Vindhya S. Mani, Id. Counsel in rejoinder arguments argued that Claims 6 to 7 are dependent Claims which merely act as limitations to the Independent Claim 1. The enablement in the subject patent is in respect of two channels of communication which was, hitherto, unknown in the prior art. The fact that through the subject invention communication can be delivered to a third party from the source upon a selection being made by the customer shows that there are two separate channels of communication. This subject patent does not constitute a business method and is hardware driven application. Moreover, the technical effect is clearly enabled as the invention has to be looked at as a whole. The effect of the invention as to whether it is directed to a business method would be crucial. If the claims relate to system claims the fact that a purchase can be evaded using the said architecture cannot convert every system claim into a business method. Finally, she submitted that the amendments to the Claims are not beyond the scope of the originally filed Claims and therefore, in consonance with Section 59 of the Act.

42. Finally, on 13<sup>th</sup> February, 2023, Mr. Harish V Shankar, Id. Counsel in his surrejoinder submission reiterated his contention that the invention is targeted towards a business method. In respect of his argument concerning the amended Claims he submits that the mere fact that the same are amended to read as a system Claims instead of method Claims would not result in the



invention becoming patent eligible subject matter. He however, fairly conceded that as per the decision of a Coordinate Bench of this Court in *Societe Des Produits Nestle Sa v. Controller of Patents and Designs, 2023/DHC/000774* amendments at the appellate stage amendments can be permitted. However, he contends that as per the said judgement also, amendments can be permitted only if they are within the permissible limits as per Section 59 of the Act. It is his overall contention that in the instant case the amended Claims enhance the scope of the originally filed Claims and are thus impermissible under Section 59 of the Act.

43. Additionally, he further relies upon the extracts from the commentaries Terrell on the Law of Patents and on The Modern Law of Patents by Phillip Johnson patent. On the strength of these Authorities, it is submitted that, if the claim is fundamentally a claim directed towards a business method, irrespective of the Claim being worded as a system Claim or a method Claims, it would not be patent eligible subject matter.

44. The Court has considered the submissions of both the parties, the authorities cited and also the record of the prosecution of the subject patent before the Indian Patent Office as also other IP Offices.

**Analysis and Findings**

45. After assessing the record and considering all the submissions & authorities cited, the present appeal raises the following three broad aspects that deserve consideration:

- (i) Whether amendment of claims in a patent specification can be permitted at the appellate stage, at the instance of the Applicant?
- (ii) Whether the subject invention is non-patentable in view of Section 3(k) of the Act?

- (iii) Whether the subject invention satisfies the other tests of novelty, inventive step and industrial application and is entitled to patent?

***Whether amendment of claims in a patent specification can be permitted at the appellate stage, at the instance of the Applicant?***

46. As set out in the introductory paragraphs, the subject patent application was filed on 23<sup>rd</sup> March, 2012. It was a national phase application derived from PCT Application No. PCT/US2010/047874 filed on 3<sup>rd</sup> September, 2010. The PCT application itself derives priority from a provisional application filed in the U.S. on 3<sup>rd</sup> September, 2009. The title of the invention is “*System and method to provide gift media*”. The application as filed had 21 claims. The same are extracted as **Appendix 1**. In the originally filed Claims, Claims 1 to 16 were Method Claims, Claim 17 to 20 were System/Storage Medium Claims and Claim 21 was again a Method Claim.

47. For the purpose of the present issue being considered in respect of amendment, the final set of Claims as filed and considered by the Patent Office are extracted in **Appendix 2**. During the course of hearing of this appeal, an amendment to the Claims was sought to be made by the Applicant to delete all the Method Claims and seek to incorporate a total of 16 Claims. The said Claims have been set out in **Appendix 3**.

48. The issue is whether such an amendment is permissible at the appellate stage at the instance of the Patentee itself. The question as to the nature of amendments that are permissible during prosecution of a patent application has been dealt with in detail by this Court in *Nippon A And L*

*Inc. v. The Controller of Patents, 2022 SCC OnLine Del 1909* and decision dated 12<sup>th</sup> July, 2022 in C.A. (COMM.IPD-PAT) 295/2022 titled *Boehringer Ingelheim International GmbH V. The Controller Of Patents & Anr.*

49. In *Nippon (Supra)* this Court while referring to various decisions and the ‘*Report on the Revision of Patent Law by Justice N. Rajagopala Ayyangar*’ allowed the amendment of Claims from product by process Claims to process Claims. The relevant observations made by this Court are extracted as under:

*“54. A perusal of the paragraphs of the Ayyangar Committee Report clearly shows that the purport and intention of this Report was to give broader and wider permissibility for amendment of claims and specification prior to the grant and restrict the same post the grant and advertisement thereof. The Report is also categorical in its observation that the invention before and after amendment need not be identical in case of amendment before acceptance “so long as the invention is comprehended within the matter disclosed”.*

*55. When this standard, as contemplated by the Ayyangar Committee Report, is applied to Section 59 of the Act as it stands today, it becomes clear that amendments to a patent specification or claims prior to grant ought to be construed more liberally rather than narrowly. The purport and spirit of Article 123 of the European Patent Convention is not too different. In effect, the legislative material and the statutory provisions require that nothing new should be permitted to be inserted in the specification or claims. So long as the invention is disclosed in the specification and the claims are being restricted to the disclosures already made in the specification, the amendment ought not be rejected, especially, at the*

*stage of examination prior to grant.”*

50. The fundamental principle governing amendment of Claims is therefore, that amendments are permissible in the Claims so long as the said amendments are within the scope of the originally filed Claims as filed and do not expand the said Claims. Thus, reduction or narrowing down a Claim is permissible, but broadening, widening or expansion of Claims is not permissible.

51. The only issue remaining is whether at the appellate stage amendments to the Claims are permissible at the instance of patent applicant. In a recent decision of a Coordinate Bench of this Court in *Nestle (supra)*, the Court was considering the question as to whether amendments can be directed at the appellate stage. The Court, after considering the law of amendments of Claims, observed as under:

**“30. There is no provision in the Act, which specifically bars the amendment of a patent specification at the appellate stage. Amendment of patent applications and specifications are covered in Chapter X of the Act. Sections 57 to 59 of the Act are the provisions that govern the same.**

xxxx

xxxx

xxxx

**33. In view of the above, there is no specific bar for the amendment even at a subsequent stage. Only requirement under the Act is that the amendment has to fulfil the requirements under Section 59 of the Act and the consideration that has to be kept in mind is that the amended Claims are not inconsistent with the earlier Claims in the original specification.”**

52. In the above case of *Nestle (supra)*, the Court permitted the Appellant to revert to the originally filed claims which had been given up due to objections raised by the Patent Office. After considering Section 15 of the

Act, the Court held that since the Controller has the power of directing amendment to a patent application, a High Court in appeal would also have similar powers. It also observed that the appeal is a continuation of the proceedings before the original forum and thus, amendments are permissible at the appellate stage. The relevant paragraphs of the judgment are set out below:

*“34. Now, a reference may also be made to Section 15 of the Act, i.e., where a Controller has been given the power to require an application to be amended to his satisfaction. The said provision reads as under:*

*“[15. Power of Controller to refuse or require amended applications, etc., in certain cases.-Where the Controller is satisfied that the application or any specification or any other document filed in pursuance thereof does not comply with the requirements of this Act or of any rules made thereunder, the Controller may refuse the application or may require the application, specification or the other documents, as the case may be, to be amended to his satisfaction before he proceeds with the application and refuse the application on failure to do so.]”*

*35. It is axiomatic that if the Controller has been given the power to direct an amendment to the patent application, the High Court, which is sitting in appeal over the decision of the Controller, should also have similar powers to direct the patent applicant to amend Claims to its satisfaction.*

*36. Further, it is a settled position of law that an appeal is a continuation of the proceedings of the original court. The appellate jurisdiction involves a re-hearing on law as well as on facts. Reference in this regard may be made to a recent judgement of the*

Supreme Court in *Ramnath Exports Pvt. Ltd. v. Vinita Mehta & Anr*, (2022) 7 SCC 678.

xxxx

xxxx

xxxx

**39. Thus, in conclusion, I observe that if the High Court, in appeal is considering the issue of grant of patent, it should necessarily have the same powers as given to the Controller under Section 15 of the Act, which includes power to require amendment. Further, the appellate proceedings challenging the refusal of grant of a patent, questions of facts need to be re-examined comprehensively and therefore, a liberal view has to be taken with regard to amendment of Claims”**

53. Thus, amendments having been held to be permissible at the appellate stage, this Court is of the opinion that irrespective of whether the amendment is directed by the Court or is at the instance of Patent Applicant, so long as the requirements as laid down under Section 59 of the Act are fulfilled such that the amended claims are within the scope of original claims, is not breached, the amendment is permissible.

54. A perusal of the three sets of claims which are on record shows that the main claim in the original patent specification was a method claim which comprised of various steps. It also consisted of Claim 17 which was a system claim. The remaining Claims 18-20 as filed, were dependent on the System Claim 17. Applying the principles discussed above to the subject patent application, it is to be seen that claims 17 to 19 as originally filed reads as under:

*“17. A system to provide a media item as a gift, the system comprising:*

*at least one selection module of an interactive media component, the at least one selection module configured to receive a selection of the media item to*

*be gifted, the selection including an indication of a media delivery method type and at least one recipient for the media item, the selection being received from a client device of a user;*

*a transaction module configured to process a purchase transaction based on the selection of the media item and the at least one recipient; and*

*a delivery module configured to trigger delivery of the media item to the at least one recipient using the indicated media delivery method type.*

18. *The system of claim 17, wherein the at least one selection module is further configured to provide instructions to generate a user interface at the client device, the user interface including a catalog of one or more available media items and corresponding pricing for each of the one or more available media items.*

19. *The system of claim 18, further comprising a pricing module configured to provide the corresponding pricing to each of one or more available media items, the corresponding pricing based on one or more of a media delivery type and source providing the media item.”*

55. In contrast, Claim 29 which is the amendment sought by the Appellant before the Court which is now Claim 1 reads as under:

*“1. A system to provide a media item as a gift, the system comprising:*

*a processor of machine;*

*at least one selection module of a headend system (114), wherein the at least one selection module is configured to:*

*cause presentation of a media item on a user interface of a device of a user over a distribution network (104);*

*receive, while the media item is being presented on the user interface, an indication to gift a version of the media item from the user over a network (126) which forms a return channel;*

*in response to receipt of the indication, cause display of a list of a plurality of different versions of the media item on the user interface over the distribution network (104);*

*receive a selection of a version of the media item from the list of the plurality of different versions of the media item over the network (126);*

*receive a selection of at least one recipient for the media item from a list of potential recipients that is caused to be displayed on the user interface from the user device over the network (126);*

*a transaction module configured to process a purchase transaction based on the selection of the version of the media item and the at least one recipient; and*

*a delivery module configured to trigger delivery of the version of the media item to the at least one recipient over the distribution network (104).”*

56. A perusal of the patent specification as originally filed would show that the entire specification was directed towards a method of providing a media item as a gift. All the various embodiments which are set out in the patent specification discuss different methods and permutations and combinations of providing media items as gifts. Claim 17 which was the original system claim was in fact a claim which was based on the methods sought to be patented. In contrast to the originally filed Claim 17, the Claim 29 and final Claim 1 are nothing but method claims which are worded as ‘System Claims’. The specification itself does not describe the system but the various steps to be taken for providing a media as a gift. Even the diagrams at the end show that the Applicant rely upon a flow chart and the steps to be taken for giving a gift rather than a system which is designed in a novel and inventive manner. The system Claim which is now sought to be



patented as Claim 1 may be within the overall scope of the specification, however, is not within the scope of claims as originally filed. Conversion of method claims into system claims in the manner sought to be done, would be broadening of the Claims which is impermissible as per section 59 of the Act. There may be some exceptional cases where such a conversion may be permissible depending on the nature of the invention and the scope of Claims.

57. However, in the present case, the various stages in which amendments have taken place would show that in the present application the amendments have been sought to be carried out in the following manner:

Date of filing	No. of Claims	Nature of Amendment/filing
23 <sup>rd</sup> March, 2012	Claims 1-21	Originally filed Claims
16 <sup>th</sup> September, 2013	Claims 1-25	Voluntary amendment before Patent Office
2 <sup>nd</sup> August, 2018	Claims 1-24	Amendments in response to FER dated 20 <sup>th</sup> April, 2018
10 <sup>th</sup> December, 2020	Claims 1-24	Amendments in response to hearing notice dated 2 <sup>nd</sup> November, 2020
9 <sup>th</sup> May, 2022	Claims 1-16	Amended Claims filed in Court

58. The Patent Office in the impugned order dated 31<sup>st</sup> May, 2021 has set out the 24 claims and has rejected them on the following grounds:

*“Regarding voluntary amendments in respect of addition of amended claims 16-21, the applicant argued that the addition of the claims 16-21 is by way of disclaimer only and the included dependent claims 16-21 only include claims which are narrower in scope as compared to the independent claim 1. Further, narrowing a claim is an amendment which is affected*

*by way of disclaimer. To such an extent, the present amendment is permissible under section 59 of the Act. But, I do not find the argument persuasive. Section 59 of the Act permits amendments by way of correction, explanation or disclaimer. The amendments by way of correction, explanation or disclaimer shall be done on existing claims because then only one can ascertain the exact nature of amendment. Effect of correction, explanation or disclaimer can not be realized by addition of new claims. If closely observed amended claims 18, 20 and 21 starts with transitional phrase “further comprising” which itself indicate that subject matter to be protected with said claims can go beyond the scope of claim 1 and certainly cannot be considered as disclaimer in nature. Further, by addition of claims 16-21, the applicant is trying to seek protection for the subject matter which was never claimed in originally filed claims and hence addition of the claims 16-21 cannot be considered as disclaimer and not allowed under section 59 of the Act.”*

59. The Patent Office’s reasoning is that the scope of the claims as amended is beyond the scope of the original claims as filed. Thus, the same is beyond what is permissible under Section 59 of the Act.

60. Therefore, though there is no embargo on permitting a Patent Applicant to amend claims even at the appellate stage, the amendment sought in this particular case intends to widen the scope of the original claims as filed. It is due to this reason that the same cannot be allowed.

***Whether the subject invention is non-patentable in view of Section 3(k) of the Act?***

61. In view of the fact that the amendments sought on 10<sup>th</sup> December, 2020 is not being allowed by this Court, the claims as they stood originally would have to be now considered. The originally filed Claim 1 and Claim 17

which are the main claims are set out below:

*“1. A method for providing a media item as a gift, the method comprising:*

*receiving, at an interactive media component, a selection of the media item to be gifted, the selection including an indication of a media delivery method type and at least one recipient for the media item, the selection being received from a client device of a user;*

*processing, using one or more processors, a purchase transaction based on the selection of the media item and the at least one recipient; and*

*triggering delivery of the media item to the at least one recipient using the indicated media delivery method type.*

xxxx

xxxx

xxxx

*17. A system to provide a media item as a gift, the system comprising:*

*at least one selection module of an interactive media component, the at least one selection module configured to receive a selection of the media item to be gifted, the selection including an indication of a media delivery method type and at least one recipient for the media item, the selection being received from a client device of a user;*

*a transaction module configured to process a purchase transaction based on the selection of the media item and the at least one recipient; and*

*a delivery module configured to trigger delivery of the media item to the at least one recipient using the indicated media delivery method type.”*

62. The question is whether the above claims are liable to be granted in view of the objection in Section 3(k) of the Act. A perusal of the patent specification would show that the purpose of the subject invention is to enable giving of media as gifts. This is sought to be described as under:

[0002] The present application relates generally to the field of electronic communications and, in one example embodiment, to a system and method to provide media as a gift.

xxxx

xxxx

xxxx

[0010] The description that follows includes systems, methods, techniques, instruction sequences, and computing machine program products that embody illustrative embodiments of the present invention.

63. The explanation given in the specification shows that various embodiments are discussed in several permutations and combinations which involve communication between one device accompanied optionally with a remote. A second device, a set to box, a PC and a display device. The diagrammatic representation of the said methods/system is set out below:

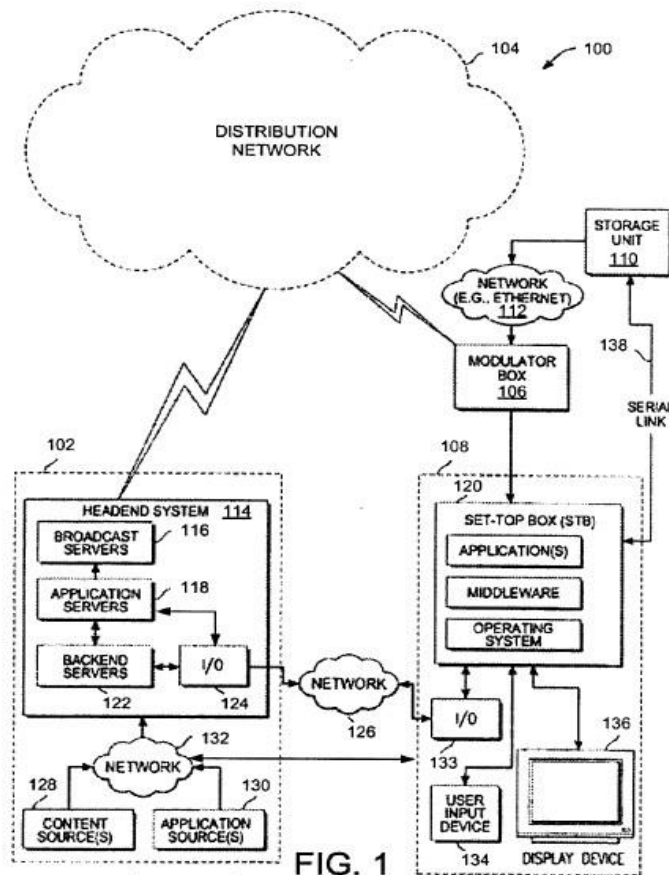
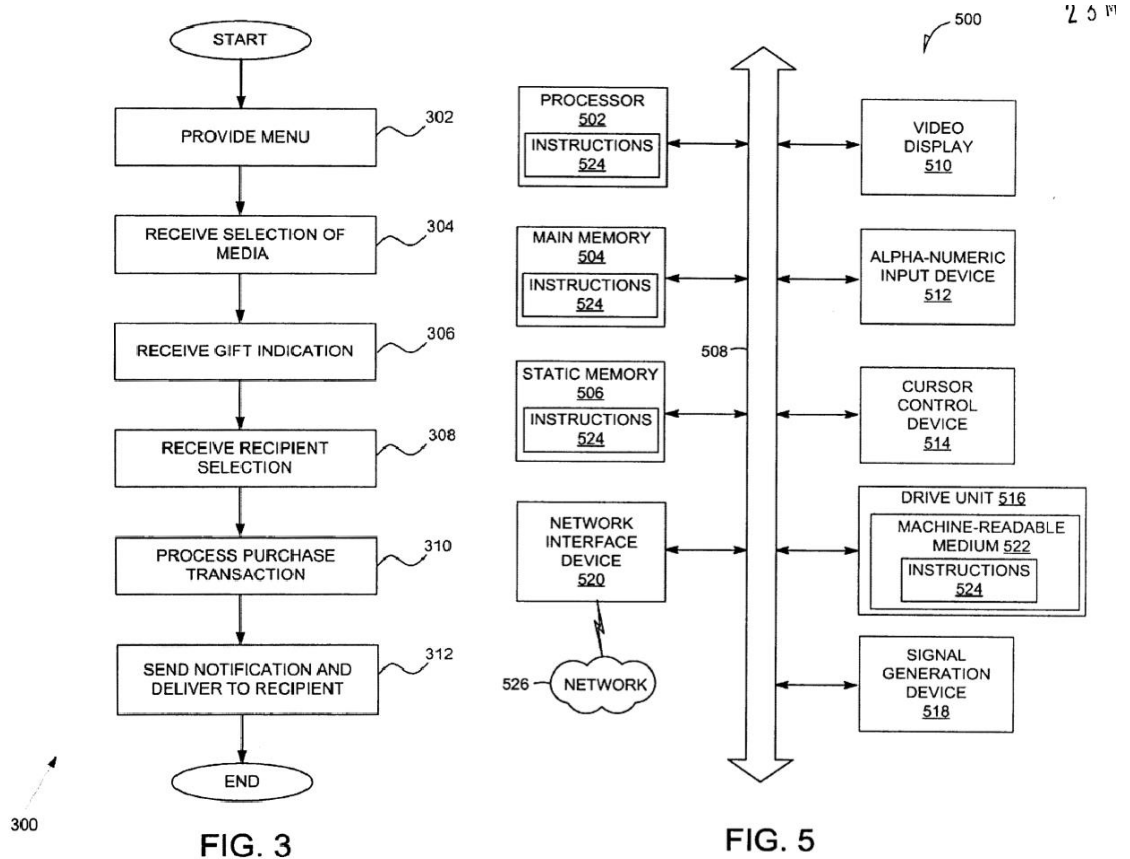


FIG. 1

64. The process involved from the start to the finish of gifting a media is explained using Figure 3 and 5 diagrammatically in the following manner:



The above methods, architecture and steps are to be analysed to see whether the application qualifies for a patent.

65. Ms. Mani, Id. Counsel has been at pains to explain to the Court the fact that this invention would have to be adjudged on the date of filing of the application and not as on today. The question as to whether a particular invention or a business method or not, is not dependent on the date of the application but on the wording of the claims and the subject matter of the invention. The grant of monopoly on a method for giving media as a gift would in effect mean that any system architecture which enabled such giving would fall foul of the invention and in effect therefore, the monopoly

relates to a method of giving a gift and hence a business method.

66. The exclusion under Section 3(k) of the Act reads as under:

*“3. What are not inventions.—The following are not inventions within the meaning of this Act,—*

*xxxx                      xxx                      xxx*

*(k) a mathematical or **business method** or a computer programme per se or algorithms;”*

67. A perusal of the above provision shows that the exclusion in respect of business methods is an absolute one and is not restricted by the words ‘per se’ as in the case of computer programs. In the case of computer programs, the use of the phrase ‘per se’ in effect means that a program *per se* is not patentable but when the same exhibits a technical effect or an advancement, or a technical contribution, the invention could become patentable. In *Ferid Allani vs Union of India & Ors., 2019 SCC OnLine Del 11867*, the test to be applied while considering Section 3(k) of the Act for patent applications directed towards computer programs has been discussed as under:

*“10. Moreover, Section 3(k) has a long legislative history and various judicial decisions have also interpreted this provision. The bar on patenting is in respect of 'computer programs per se....' and not all inventions based on computer programs. In today's digital world, when most inventions are based on computer programs, it would be retrograde to argue that all such inventions would not be patentable. Innovation in the field of artificial intelligence, blockchain technologies and other digital products would be based on computer programs, however the same would not become non-patentable inventions—simply for that reason. It is rare to see a product which is not based on a computer program. Whether they are cars and other automobiles, microwave ovens, washing machines,*

*refrigerators, they all have some sort of computer programs in-built in them. Thus, the effect that such programs produce including in digital and electronic products is crucial in determining the test of patentability.*

*11. Patent applications in these fields would have to be examined to see if they result in a 'technical contribution'. The addition of the terms 'per se' in Section 3(k) was a conscious step and the Report of the Joint Committee on the Patents (Second Amendment) Bill, 1999 specifically records the reasons for the addition of this term in the final statute as under:*

*"In the new proposed clause (k) the words "per se" have been inserted. This change has been proposed because sometime the computer programme may include certain other things, ancillary thereto or developed thereon. The intention here is not to reject them for grant of patent if they are inventions. However, the computer programmes 'as such' are not intended to be granted patent. The amendment has been proposed to clarify the purpose."*

*A perusal of the above extract from the Report shows that Section 3(k) which was sought to be inserted by the Patents (Second Amendment) Bill, 1999 originally read as "a mathematical or business method or a computer program or algorithms." "The words 'per se' were incorporated so as to ensure that genuine inventions which are developed, based on computer programs are not refused patents."*

68. In the present case, a computer program is involved in the implementation of the invention as is clear from the depiction in the figure 1 and 3 above which involves the use of various software applications. However, it is not the computer program or the software which is the

claimed invention, it is the method in which it is put into application for giving of a gift which is sought to be patented.

69. The law on business methods and their patentability has evolved internationally in different jurisdictions. In U.K., Section 1(2) of the Patents Act sets out the excluded inventions as under:

*“(2) It is hereby declared that the following (among other things) are not inventions for the purposes of this Act, that is to say, anything which consists of—*

*(a) a discovery, scientific theory or mathematical method;*

*(b) a literary, dramatic, musical or artistic work or any other aesthetic creation whatsoever;*

*(c) a scheme, rule or method for performing a mental act, playing a game or doing business, or a program for a computer;*

*(d) the presentation of information;*

*but the foregoing provision shall prevent anything from being treated as an invention for the purposes of this Act only to the extent that a patent or application for a patent relates to that thing **as such**.”*

70. Article 52 of the European Patent Convention reads as under:

*“Article 52 Patentable inventions*

*(1) European patents shall be granted for any inventions, in all fields of technology, provided that they are new, involve an inventive step and are susceptible of industrial application.*

*(2) The following in particular shall not be regarded as inventions within the meaning of paragraph 1:*

*(a) discoveries, scientific theories and mathematical methods;*

*(b) aesthetic creations;*

*(c) schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers;*

*(d) presentations of information.*



*(3) Paragraph 2 shall exclude the patentability of the subject-matter or activities referred to therein only to the extent to which a European patent application or European patent relates to such subject-matter or activities **as such**.”*

71. A perusal of both these provisions would show that the exclusion of business methods is differently worded as “*schemes, rules or methods for doing business*”. This exclusion is subject to the proviso in Section 1(2) and Article 52(3) to such subject matter or activities “**as such**”.

72. The qualifier ‘**as such**’ thus applies in both U.K. and Europe to all categories of excluded inventions including business methods. Thus the bar is not absolute and if there is something more than the business method itself, patenting could be permissible. However, in India, the phrase ‘*per se*’ does not qualify business methods. Thus, the patentability of inventions based on methods of doing business or financial transactions, raised on the basis of decisions from the U.K. and European Patent Office which analyse the technical effect of a business method invention would not be squarely applicable in India. The bar in India to grant of business method patents has to be read as an absolute bar without analysing issues relating to technical effect, implementation, technical advancement or technical contribution.

73. Thus, the only question that the Court or the Patent Office while dealing with patent applications involving a business method, needs to consider is whether the patent application addresses a business or administrative problem and provides a solution for the same.

74. In order to judge as to whether a particular patent application seeks to patent business methods or not, at the outset, the following aspects, ought to be considered -

- (i) whether the invention is primarily for enabling conduct or administration of a particular business i.e., sale or purchase of goods or services;
- (ii) whether the purpose of the invention is for claiming exclusivity or monopoly over a manner of doing business;
- (iii) whether the invention relates to a method of sale or purchase of goods or services or is in fact a computer program producing a technical effect or exhibiting technical advancement. If it is the latter, it would be patentable but not if it is the former.

75. In adjudging whether a particular invention is a business method patent or not, regard can be had to the kind of modifications being carried out in a system, if any, which may involve greater convenience to a consumer by change of the architecture, elimination of a physical step and similar tests. The judgment of *Halliburton Energy Services v Comptroller [2011] EWHC 2508* in this context would be relevant inasmuch as the said decision clearly holds that though technical effect and contribution are argued, the business method exclusion being generic, makes it tough for such patent application to be cleared for patenting. The observations of the U.K. Patents Court in the said case is set out below:

*“35. The business method cases can be tricky to analyse by just asking whether the invention has a technical effect or makes a technical contribution. The reason is that computers are self evidently technical in nature. Thus when a business method is implemented on a computer, the patentee has a rich vein of arguments to*

*deploy in seeking to contend that his invention gives rise to a technical effect or makes a technical contribution. For example the computer is said to be a faster, more efficient computerized book keeper than before and surely, says the patentee, that is a technical effect or technical advance. And so it is, in a way, but the law has resolutely sought to hold the line at excluding such things from patents. That means that some apparently technical effects do not always count. So a computer programmed to be a better computer is patentable (Symbian) but as Fox LJ pointed out in relation to the business method exclusion in Merrill Lynch, the fact that the method of doing business may be an improvement on previous methods is immaterial because the business method exclusion is generic.*"

76. The decisions cited by Ms. Mani, in *Quest International (supra)* as also the four-step test laid down in *Aerotel (supra)* and the five signposts given in *AT&T (supra)* would not be of assistance in the Indian context inasmuch as they deal with the issues of technical effect which may have a bearing under Article 52 of the European Patent Convention but not while considering an objection under Section 3(k) of the Act.

77. It would be apt in this context to cite an extract from Modern Law of Patents by Johnson<sup>1</sup> which sets out the approach to be adopted while considering inventions involving financial or business aspects. The said extract reads:

*“Practice under the Patent Act 1977*

*3.81 The basic approach to business methods under the PA 1977 comes from claims made relating to the financial sector. The Court of Appeal in Merrill Lynch's Application explained the approach:*

*. . . it seems to me to be clear, for the reasons indicated by Dillon LJ, that it cannot be permissible to*

<sup>1</sup> Johnson, P., Cook, T., & Roughton, A. (2015). The modern law of patents, 3<sup>rd</sup> edition.

patent an item excluded by section 1(2) under the guise of an article which contains that item - that is to say, in the case of a computer program, the patenting of a conventional computer containing that program. Something further is necessary. The nature of that addition is, I think, to be found in the Vicom case where it is stated: "Decisive is what technical contribution the invention makes to the known art". There must, I think, be some technical advance on the prior art in the form of a new result (e.g. a substantial increase in processing speed as in Vicom).

Now let it be supposed that claim 1 can be regarded as producing a new result in the form of a technical contribution to the prior art. That result, whatever the technical advance may be, is simply the production of a trading system. It is a data-processing system for doing a specific business, that is to say, making a trading market in securities. **The end result, therefore, is simply "a method of doing business" , and is excluded by section 1(2)(c).** The fact that the method of doing business may be an improvement on previous methods of doing business does not seem to me to be material. **The prohibition in section 1(2)(c) is generic; qualitative considerations do not enter into the matter. The section draws no distinction between the method by which the mode of doing business is achieved. If what is produced in the end is itself an item excluded from patentability by section 1(2), the matter can go no further.**

Claim 1, after all, is directed to "a data processing system for making a trading market". That is simply a method of doing business. A data processing system operating to produce a novel technical result would normally be patentable. But it cannot, it seems to me, be patentable if the result itself. is a prohibited item under section 1(2) ....

**3.82 Accordingly, a business method must make a technical contribution; incorporating it in apparatus**

*is not enough.* This is because something does not cease to be a business method if it is simply a way of putting it into effect. Similarly, **steps consisting of modifications to a business scheme and aimed at circumventing a technical problem rather than solving it by technical means cannot contribute to the technical character of the subject-matter claimed.** Business methods are often identifiable from the fact they would usually be carried out by a business or salesperson. The patent system is not there to protect something simply because it is a good idea.””

78. Terrell on the Law of Patents<sup>2</sup>, while dealing with Business Methods has clearly highlighted the challenges in such applications being granted patents. The relevant extract reads:

*“Business methods*

*As observed in CFPH LLC's Application, this exclusion will quite often overlap with that relating to computer programs although the policy reasons for the exclusion are not the same in each case.*

*In the Hitachi case it was held by the EPO that method steps consisting of modifications to a business scheme and aimed at circumventing a technical problem rather than solving it by technical means cannot contribute to the technical character of the subject-matter claimed. Since this was what was claimed (in particular, a modification of the rules of a Dutch auction to avoid data transmission delays), the application was refused. In CFPH LLC's Application the result was similar. **It was held that both patents involved altering business schemes to overcome technical problems (shortage of bandwidth and data transmission delays), rather than solving such problems by technical means.** Thus, even assuming novelty and inventive step, the alleged inventions could only be innovations in business methods.*

---

<sup>2</sup> Thomas Terrell, Terrell on the Law of Patents. 19<sup>th</sup> edition

*In Shopalotto.Com's Application the claim was to a computer configured to provide a lottery playable via the internet. It was held that there was no contribution to the art outside the provision of the various pages to any person suitably equipped to view the pages provided by the server; furthermore, any element of reinforcing the message of the brand or brands selected by the player was a method of doing business and so lay in a forbidden subject-matter.*

*In Crawford's Application, which was heard after CFPH, the court identified a "consistent principle that an inventor must make a contribution to the art (that is to say the invention must be new and not obvious) and that contribution must be of a technical nature (susceptible of industrial application and not within one of the areas excluded by Art. 52(2))" and applied this approach to a display system for buses. The only advance in the art which was said to be new and inventive was the nature of the information to be displayed on the outside of a bus and the method of operating a bus in so-called "exit mode" but these were not, individually or collectively, of a technical nature. The information to be displayed was the presentation of information, whereas the method of operating a bus in exit mode was a method of doing business."*

The decisions and commentaries discussed above actually demonstrate the difficulties encountered in the consideration of patent applications related to such inventions.

79. In the present case, a perusal of the entire specification shows that various known components and technologies are being adapted in a manner so as to enable giving of a gift without human intervention except at the beginning where the gift and recipient is chosen by the sender. The same is described in the form of a network in different embodiment formats and for

the purpose of transmitting different media formats as well. The media could be subscription for a service, a DVD, a VC or any other tangible or intangible media. Though, there is no doubt that there is a two-way communication, the purpose of the invention is primarily to enable giving of a media in tangible or intangible format to the recipient. Such a giving of a media irrespective of whether is worded as a method or as a system would be nothing but a method for doing a particular business i.e., for giving of a media as a gift.

80. It is also to be noted that in the recent Form-3 filed by the Appellant before the Patent Office, the Appellant has itself declared that it has abandoned the patent in several jurisdictions. The said Form-3 filed by the Appellant before the Patent Office on 19<sup>th</sup> November, 2020 is set out herein below:

Country	Filing Date	Filing Number	Publication Date	Grant Date	Status
<b>*European Patent Office</b>	<b>03-09-2010</b>	<b>10814580.6</b>	<b>13-Feb-13</b>	-	<b>Abandoned</b>
Australia	03-09-2010	2010289306	-	25-Feb-16	Issued
Australia	09-02-2016	2016100136	-	3-Mar-16	Issued
Brazil	02-03-2012	1120120048040	12-Apr-16	-	Pending
Canada	02-03-2012	2,773,155	-	1-May-18	Issued
<b>China</b>	<b>03-05-2012</b>	<b>201080049849.8</b>	<b>18-Jul-12</b>	-	<b>Abandoned</b>
Japan	23-04-2012	2012-528099	-	-	Abandoned
Japan	10-10-2014	2014-208456	-	4-Mar-16	Issued
Mexico	02-03-2012	MX/a/2012/002756	1-Jun-12	22-Apr-16	Issued
PCT	03-09-2010	PCT/US2010/047874	-	-	Completed
<b>Republic of Korea</b>	<b>02-04-2012</b>	<b>10-2012-7008506</b>	-	-	<b>Abandoned</b>
<b>Republic of Korea</b>	<b>02-05-2017</b>	<b>1020177012121</b>	-	-	<b>Abandoned</b>
Russian Federation	28-02-2012	2012107232	-	4-Aug-16	Issued

United States of America	03-09-2009	61/239,742	-	-	Expired
United States of America	03-09-2010	12/875,482	10-Mar-11	-	Abandoned
United States of America	12-12-2016	15/376,135	30-Mar-17	4-Aug-20	Issued
United States of America	25-06-2020	16/911,900	-	-	Pending

81. The subject invention is therefore directed purely towards a method of giving a media as a gift which is nothing but a method of selling a media for gift purposes and is hence a business method. The subject invention is attracted by the exclusion from patentability under Section 3(k) of the Act. Since the patent is being rejected on the ground of patentability under Section 3(k) of the Act itself, the issue of novelty and inventive step is not being gone into.

82. The sum and substance of the above discussion is that despite the extremely persuasive submissions made on behalf of the Appellant, the subject invention is not entitled for grant of a patent.

83. In light of the above findings, the appeal is dismissed. No order as to costs. All pending applications, if any are also disposed of.

**Post script:**

84. This Court is conscious of the One Hundred and Sixty First Report of the “*Review of the Intellectual Property Rights Regime in India*” presented by the Parliamentary Standing Committee<sup>3</sup> (*hereinafter ‘Parliamentary*

---

<sup>3</sup> Department Related Parliamentary Standing Committee on Commerce, presented to the Parliament on 23rd July, 2021



Committee Report') which has been recently published which records as under:

*“8.3 Presently, The Indian Patents Act, 1970 as well as the Copyright Act, 1957 are not well equipped to facilitate inventorship, authorship and ownership by Artificial Intelligence. As per Section 3(k) of the Indian Patent Act,1970, a mathematical or a business method or a computer programme or algorithms run by Artificial Intelligence are not patentable. Further, the condition to have a human inventor for innovating computer related inventions (innovations by AI and machine learning) hinders the patenting of AI induced innovations in India. **Therefore, there is a need to review the provisions of both the legislations on a priority basis.***

*8.4 During the deliberations with relevant stakeholders, the Committee was informed that the protection of both AI-generated works and AI solutions should be permitted under patent laws of India as it would incentivize innovation and R&D thereby significantly contributing to creativity and economic growth of the country. It was informed that rendering protection to works generated by AI either autonomously or with the assistance and inputs of a human being would incentivize and encourage the creator of the AI which in turn would further encourage creativity and development of more AI solutions.*

*8.5 The Committee notes that the relevance and utility of cutting edge technologies such as Artificial Intelligence (AI) and machine learning would increase manifold in the present world especially in the times of Covid-19 pandemic wherein the digital applications are playing a crucial role in responding to the crisis. Moreover, the huge benefits of AI and its applications in India's revenue generation and economy as well as its impact on technological innovation necessitate its*

*expansion in a secured manner. In view of this, the Committee recommends that a separate category of rights for AI and AI related inventions and solutions should be created for their protection as IPRs. **It further recommends that the Department should make efforts in reviewing the existing legislations of The Patents Act, 1970 and Copyright Act, 1957 to incorporate the emerging technologies of AI and AI related inventions in their ambit.***

*8.6 The Committee was informed that a framework needs to be developed for patenting of algorithms by associating their use to a tangible result. For example, under the AI guidelines of European Patent Office, abstract mathematical methods cannot be patented. However, it is patented if the mathematical method involves the use of technical means or a device such as computers. Also, linking the mathematical applications and algorithms to practical application makes them a process which could be patented as being practiced in US.*

*8.7 The Committee recommends the Department that the approach in linking the mathematical methods or algorithms to a tangible technical device or a practical application should be adopted in India for facilitating their patents as being done in E.U. and U.S. Hence, the conversion of mathematical methods and algorithms to a process in this way would make it easier to protect them as patents.”*

85. The above discussion in the Parliamentary Committee report would show that a concern is being expressed that a large number of inventions may be excluded from patentability in view of Section 3(k) of the Act. The modification of this provision would, in the context of the said report clearly be one in legislative domain. In terms of the statute as it stands, business method inventions are not patentable.

86. A large number of inventions in emerging technologies including by

SMEs, start-ups and educational institutions could be in the field of business methods or application of computing and digital technologies. There is a need to have a re-look at the exclusions in Section 3(k) of the Patents Act, 1970, in view of the growing innovations in this space. As the Parliamentary Committee Report referred to above recommends, the need to consider the march of technology in the digital space, is an urgent one, so that patent law is not outpaced and patenting itself does not become irrelevant in the years to come

87. In view of the above, the Registry is directed to send copy of the present order to the Secretary, DPIIT, Ministry of Commerce and Industry at [secy-ipp@nic.in](mailto:secy-ipp@nic.in) for necessary consideration.

**PRATHIBA M. SINGH**  
**JUDGE**

**May 11, 2023**  
*Rahul/Am*

सत्यमेव जयते

*Appendix 1*

Originally filed Claims in the National Phase Application in India, dated 23<sup>rd</sup> March, 2012

I/We Claim

1. A method for providing a media item as a gift, the method comprising:
  - receiving, at an interactive media component, a selection of the media item to be gifted, the selection including an indication of a media delivery method type and at least one recipient for the media item, the selection being received from a client device of a user;
  - processing, using one or more processors, a purchase transaction based on the selection of the media item and the at least one recipient; and
  - triggering delivery of the media item to the at least one recipient using the indicated media delivery method type.
2. The method of claim 1, further comprising providing instructions to generate a user interface at the client device, the user interface including a catalog of one or more available media items and corresponding pricing for each of the one or more available media items.
3. The method of claim 2, wherein the user interface further comprises a buddy list from which the user selects the at least one recipient.
4. The method of claim 2, wherein the corresponding pricing is based on the media delivery method type.
5. The method of claim 2, wherein the corresponding pricing is based on a content source providing the media item.
6. The method of claim 1, further comprising providing instructions to generate a user interface, the providing of the instructions being triggered by an input while the user is interacting with a media item that the user wants to provide as the gift to the at least one recipient.
7. The method of claim 1, wherein the receiving of the selection occurs via a return data path different from a data path used to provide the user interface.
8. The method of claim 1, wherein the triggering of the delivery comprises causing the media item to be downloaded to a mobile device of the at least

one recipient.

9. The method of claim 1, wherein the triggering of the delivery comprises causing the media item to be injected into a media stream being transmitted to the at least one recipient.

10. The method of claim 1, wherein the triggering of the delivery comprises causing the media item to be transmitted to a set top box of the at least one recipient.

11. The method of claim 1, wherein the triggering of the delivery comprises causing the media item to be associated with an account of the recipient, the recipient accessing the media item via the account.

12. The method of claim 1, wherein the triggering of the delivery comprises transmitting instructions to one of a content source or application source to provide the media item to a device of the at least one recipient.

13. The method of claim 1, wherein the triggering of the delivery comprises transmitting instructions to an application source to provide the media item, the media item comprises an interactive application.

14. The method of claim 1, wherein the media item comprises a service, the service comprising one or more of a premium channel, a subscription to a media distribution service, or an upgrade to a subscription to a media distribution service.

15. The method of claim 1, wherein the media item comprises a video-on-demand.

16. The method of claim 1, further comprising providing a discount for a selection of more than one recipient for the media item.

17. A system to provide a media item as a gift, the system comprising:

at least one selection module of an interactive media component, the at least one selection module configured to receive a selection of the media item to be gifted, the selection including an indication of a media delivery method type and at least one recipient for the media item, the selection being received from a client device of a user;

a transaction module configured to process a purchase transaction based on the selection of the media item and the at least one recipient; and

a delivery module configured to trigger delivery of the media item to

the at least one recipient using the indicated media delivery method type.

18. The system of claim 17, wherein the at least one selection module is further configured to provide instructions to generate a user interface at the client device, the user interface including a catalog of one or more available media items and corresponding pricing for each of the one or more available media items.

19. The system of claim 18, further comprising a pricing module configured to provide the corresponding pricing to each of one or more available media items, the corresponding pricing based on one or more of a media delivery type and source providing the media item.

20. A non-transitory machine-readable storage medium in communication with at least one processor, the non-transitory machine-readable storage medium storing instructions which, when executed by the at least one processor, performs an operation comprising:

receiving, at an interactive media component, a selection of the media item to be gifted, the selection including an indication of a media delivery method type and at least one recipient for the media item, the selection being received from a client device of a user;

processing, using one or more processors, a purchase transaction based on the selection of the media item and the at least one recipient; and

triggering delivery of the media item to the at least one recipient using the indicated media delivery method type.

21. The method of claim 1, wherein the interactive media component is source agnostic, the interactive media component being capable of providing media items from one type of content source to a recipient associated with a different type of content source.

*Appendix 2*

Final set of Claims, dated 10<sup>th</sup> December, 2020 considered by the Patent Office, on the basis of which the impugned order has been issued

I/We Claim

1. A method for providing a media item as a gift, the method comprising:

causing, by an interactive media component (114), presentation of a media item on a user interface of a device of a user;

receiving, while the media item is being presented on the user interface by the interactive media component (114), an indication to gift a version of the media item from the user;

in response to the receiving of the indication, causing, by the interactive media component (114), display of a list of a plurality of different versions of the media item over the distribution network (104);

receiving, by the interactive media component (114), a selection of a version of the media item from the list of the plurality of different versions of the media item;

receiving, by the interactive media component (114), a selection of the at least one recipient for the version of the media item from a list of potential recipients that is caused to be displayed on the user interface;

processing, by the interactive media component (114), a purchase transaction based on the selection of the version of the media item and the at least one recipient; and

triggering, delivery of the version of the media item to the at least one recipient over a communication network.

2. The method as claimed in claim 1, further comprising providing instructions to generate a user interface at the device of the user, the user interface comprising a catalog of the plurality of different versions of the media item and corresponding pricing for each of the plurality of different versions of the media item.

3. The method as claimed in claim 2, wherein the corresponding pricing

is based on a media delivery type.

4. The method as claimed in claim 2, wherein the corresponding pricing is based on a source provider providing the version of the media item.

5. The method as claimed in claim 2, wherein the providing of the instructions is triggered by an input while the user is using the media item that the user wants to provide as the gift to the at least one recipient.

6. The method as claimed in claim 1, wherein the receiving of the selection occurs via a return data path from a data path used to provide a user interface to the user providing the selections.

7. The method as claimed in claim 1, wherein the triggering of the delivery comprises causing the version of the media item to be downloaded over the communications network to a mobile device of the at least one recipient.

8. The method as claimed in claim 1, wherein the triggering of the delivery comprises causing the version of the media item to be injected into a media stream being transmitted over the communications network to the at least one recipient.

9. The method as claimed in claim 1, wherein the triggering of the delivery comprises causing the version of the media item to be transmitted over the communications network to a set top box of the at least one recipient.

10. The method as claimed in claim 1, wherein the triggering of the delivery comprises causing the version of the media item to be associated with an account of the recipient, the recipient accessing the version of the media item via the account.

11. The method as claimed in claim 1, wherein the triggering of the delivery comprises transmitting instructions to one of a content source provider or application source provider to provide version of the media item to a device of the at least one recipient.

12. The method as claimed in claim 1, wherein the triggering of the delivery comprises transmitting instructions to an application source provider to provide the 22 version of the media item, the version of the media item comprising an interactive application.



13. The method as claimed in claim 1, wherein the version of the media item is related to a service, the service comprising one or more of a premium channel, a subscription to a media distribution service, or an upgrade to a subscription to a media distribution service.
14. The method as claimed in claim 1, wherein the version of the media item comprises a video-on-demand.
15. The method as claimed in claim 1, further comprising providing a bulk discount for a selection of the version of the media item for more than one recipient.
16. The method as claimed in claim 1, wherein receiving of the selection of the version of the media item, an indication that the version of the selected media item is a gift, and the selection of the at least one recipient for the version of the media item occurs on a single user interface.
17. The method as claimed in claim 1, wherein the receiving of the selection of the version of the media item, an indication that the version of the selected media item is a gift, and the selection of the at least one recipient for the version of the media item occurs on a single user interface that is also concurrently presenting the media item to the user.
18. The method as claimed in claim 1, further comprising providing a list of content sources or application sources that provide the different versions of the media item along with a price of the different versions of the media item for each of the content sources or for each of the application sources.
19. The method as claimed in claim 1, wherein the triggering delivery comprises a digital download of the version of the media item, causing shipping of a tangible 23 media item, instant streaming of the version of the media item, or triggering a broadcast of the version of the media item.
20. The method as claimed in claim 1, further comprising receiving an indication of a media delivery type.
21. The method as claimed in claim 1, further comprising receiving a recipient to add to the list of potential recipients at a time of the selection of the at least one recipient.
22. A system to provide a media item as a gift, the system comprising:  
a processor of machine;

at least one selection module of an interactive media component (114), the at least one selection module configured to:

cause presentation of a media item on a user interface of a device of a user;

receive, while the media item is being presented on the user interface, an indication to gift a version of the media item from the user;

in response to receipt of the indication, cause display of a list of a plurality of different versions of the media item on the user interface;

receive a selection of a version of the media item from the list of the plurality of different versions of the media item;

receive a selection of at least one recipient for the media item from a list of potential recipients that is caused to be displayed on the user interface;

a transaction module configured to process a purchase transaction based on the selection of the version of the media item and the at least one recipient; and

a delivery module configured to trigger delivery of the version of the media item to the at least one recipient over a communications network.

23. The system as claimed in claim 22, wherein the at least one selection module is further configured to provide instructions to generate a user interface at the device of the user, the user interface comprising the list of the plurality of different versions 24 of the media item and corresponding pricing for each of the versions of the media item.

24. The system as claimed in claim 23, further comprising a pricing module configured to provide the corresponding pricing to each of the versions of the media item, the corresponding pricing based on one or more of a media delivery type or source provider providing the version of the media item.

*Appendix 3*

Alternative set of Claims dated 9<sup>th</sup> May, 2022 as filed by the Appellant before the Court

I/We claim:

1. A system to provide a media item as a gift, the system comprising:
  - a processor of machine;
  - at least one selection module of a headend system (114), wherein the at least one selection module is configured to:
    - cause presentation of a media item on a user interface of a device of a user over a distribution network (104);
    - receive, while the media item is being presented on the user interface, an indication to gift a version of the media item from the user over a network (126) which forms a return channel;
    - in response to receipt of the indication, cause display of a list of a plurality of different versions of the media item on the user interface over the distribution network (104);
    - receive a selection of a version of the media item from the list of the plurality of different versions of the media item over the network (126);
    - receive a selection of at least one recipient for the media item from a list of potential recipients that is caused to be displayed on the user interface from the user device over the network (126);
    - a transaction module configured to process a purchase transaction based on the selection of the version of the media item and the at least one recipient; and
    - a delivery module configured to trigger delivery of the version of the media item to the at least one recipient over the distribution network (104).
2. The system as claimed in claim 1, wherein the at least one selection module is further configured to provide instructions to generate a user interface at the device of the user, the user interface comprising the list of

the plurality of different versions of the media item and corresponding pricing for each of the versions of the media item.

3. The system as claimed in claim 2, further comprising a pricing module configured to provide the corresponding pricing to each of the versions of the media item, the corresponding pricing based on one or more of a media delivery type or source provider providing the version of the media item.

4. The system as claimed in claim 2, wherein the at least one selection module is to provide the instructions, over the distribution network (104), which is triggered by an input while the user is using the media item that the user wants to provide as the gift to the at least one recipient.

5. The system as claimed in claim 1, wherein the at least one selection module is to receive the selection via a return channel over the network (126) as compared to the distribution network (104) used to provide a user interface to the user providing the selections.

6. The system as claimed in claim 1, wherein the at least one delivery module is to trigger delivery which comprises causing the version of the media item to be downloaded over the distribution network (104) to a mobile device of the at least one recipient.

7. The system as claimed in claim 1, wherein the at least one delivery module is to trigger delivery which comprises causing the version of the media item to be injected into a media stream being transmitted over the distribution network (104) to the at least one recipient.

8. The system as claimed in claim 1, wherein the at least one delivery module is to trigger delivery which comprises causing the version of the media item to be transmitted over the distribution network (104) to a set top box of the at least one recipient.

9. The system as claimed in claim 1, wherein the at least one delivery modules to trigger delivery, over the distribution network (104), which comprises transmitting instructions to one of a content source provider or application source provider to provide version of the media item to a device of the at least one recipient.

10. The system as claimed in claim 1, wherein the at least one delivery module is to trigger delivery which comprises transmitting instructions to an

application source provider to provide the version of the media item, the version of the media item comprising an interactive application.

11. The system as claimed in claim 1, wherein the at least one selection module is to receive, over the network (126), the selection of the version of the media item, an indication that the version of the selected media item is a gift, and the selection of the at least one recipient for the version of the media item occurs on a single user interface.

12. The system as claimed in claim 1, wherein the at least one selection module is to receive, over the network (126), the selection of the version of the media item, an indication that the version of the selected media item is a gift, and the selection of the at least one recipient for the version of the media item occurs on a single user interface that is also concurrently presenting the media item to the user.

13. The system as claimed in claim 1, wherein the at least one selection module is further configured to provide, over the distribution network (126), a list of content sources or application sources that provide the different versions of the media item along with a price of the different versions of the media item for each of the content sources or for each of the application sources.

14. The system as claimed in claim 1, wherein the at least one delivery module is to trigger delivery, over the distribution network, which comprises a digital download of the version of the media item, causing shipping of a tangible media item, instant streaming of the version of the media item, or triggering a broadcast of the version of the media item.

15. The system as claimed in claim 1, wherein the at least one selection module is to further receive, over the network (126), an indication of a media delivery type.

16. The system as claimed in claim 1, wherein the at least one selection module is to further receive, over the network (126), a recipient to add to the list of potential recipients at a time of the selection of the at least one recipient.