(2022) 05 DEL CK 0131

In the Delhi High Court

Case No : C.A. (COMM.IPD-PAT) No. 82 Of 2022, I.As. No. 7643, 7644 Of 2022

Jitendra Kohli APPELLANT

Vs

Controller Of Patents RESPONDENT

Date of Decision : 17-05-2022

Acts Referred:
Patents Act, 1970 — Section 3, 3(k), 3(m), 15, 117A

Citation : (2022) 05 DEL CK 0131

Hon'ble Judges : Prathiba M. Singh, J

Bench : Single Bench

Advocate : Rajeshwari H., Sugandh Shahi, Deepanshu Nagar, Harish V. Shankar, Srish Kumar Mishra, Sagar Mehlawat

Final Decision : Disposed Of

Judgement

Prathiba M. Singh, J

1. This hearing has been done through hybrid mode.

2. The present appeal under section 117A Patents Act, 1970 (hereinafter "Act") has been filed challenging the impugned order dated 12th June, 2020 passed by the Assistant Controller of Patents & Designs. Vide the said order, the Appellant's application No.3290/Del/2005 has been rejected under Section 15 of the Act.

3. The background of the case is that the Appellant has filed a patent application titled 'process for conducting electronic tendering on secured platform' vide provisional application dated 7th December, 2005. The complete specification was, thereafter, filed by the Appellant on 7th December, 2006. However, the First Examination Report (hereinafter "FER") was only issued by the Respondent 10 years later on 29th January, 2016 in which the grant of patent was objected on the ground of lack of novelty, and non-patentability under Sections 3(k), and 3(m) of the Act.

4. In response to the FER, the Appellant filed its reply on 28th January, 2017 and

it was brought to the attention of the Assistant Controller that the claims have been amended to overcome the objections raised in the FER. Thereafter, hearing was conducted and the impugned order was passed on 12th June, 2020. The submission of the ld. counsel for the Appellant, Ms. Rajeshwari, is that during the process of examination, the claims which were originally filed by the Appellant, which were 10 in number, were amended. Claim no.1 as originally filed reads as under:

"I Claim:

1. A process of tendering system comprising; a secure and open means for the bidder and the buyer in a predetermined time locked event and including the steps of pre-authentication of the bidder/buyer, access to the resources, tendering of bid, monitoring of activities, evaluation of bid and award are integrated over a secure platform."

5. However, after the amendment, the amended claim No.1 reads as under:

"I Claim:

1. A system and process for conducting electronic tendering over a secure platform/portal server in a networked computer system including clients comprising secure and open means for the bidder and the buyer in a predetermined time locked event and including the following steps: (i) pre-authentication of the bidder/buyer by digital signatures, (ii) providing access to the resources of secure platform/portal server via networked computer system after pre-authentication, (iii) securely customizing the system online by each buyer organization for accommodating 'variations in tendering policy, procedures and rules' peculiar to that organization (iv) tendering of bids over secure platform/portal server, (v) integrally evaluating and awarding the bids, wherein tendering of bids includes

- at the secure portal server, online configuring of tendering rules for that tender and digitally signing the said rules by the authorized officer of buyer;

- at bidder end, electronically encrypting bids using bidder-generated pass-phrase(s) with cryptographic protocol, digitally signing electronically encrypted bids and submitting;

- at secure portal server, receiving digitally signed and electronically encrypted bids and storing the received bids in a time locked manner so that the stored bids are accessible only after a specified date and time have elapsed, and all the duly authorized tender-opening officers are present online on the system and have recorded their presence with digital signatures,

- starting an online tender opening event at the portal server that can be attended electronically and simultaneously by authorized officers of the buyer and authorized representatives of bidders from remote locations and in accordance with the rules configured for the said tender,

- creating an electronic attendance register with digital signatures of all authorized participants during the online tender opening event, and

- opening of each bid by the duly authorized tender opening officer after furnishing of the bidder-generated pass-phrase by the concerned authorised bidder for decrypting the respective stored encrypted and digitally signed bid during the online tender opening event.”

6. Ms. Rajeshwari, submits that the objection under Section 3(k) of the Act in respect of non-patentability, on the ground of it being a business method, has been considered by the Assistant Controller, by taking the claims as originally filed which were in the form of ‘process claims’. When the amendment was made by the Appellant, the claims were changed from ‘process claims’ to ‘system and process claim’. It is her submission that the amended ‘system and process claims’ which were filed later on would not be hit by Section 3(k) of the Act. She further submits that there is a clear ‘technical effect’ which has been disclosed in the application.

7. A perusal of the impugned order shows that the ld. Assistant Controller has considered the unamended claim and has held that the same is a business method. This is clear from a reading of the following paragraphs of the impugned order:

“10. Now, let us look at the legislative standing with regard to business method: Section 3(k) under chapter II of the Patents Act, 1970 under the headings "INVENTIONS NOT PATENTABLE" states: Section 3- What are not inventions The following are not inventions within the meaning of this Act,- ... (k) a mathematical or business method or a computer programme per se or algorithms; Further, IPAB in OA/22/2010/PT/CH held that the claimed 'invention' "is nothing but doing the advertisement business electronically. Even the technical advance that is claimed over the existing art is only an improvement in the method of doing business and section 3(k) is clear that business method cannot be patented, the fact that there is an advance has not improved the case" As evident from the explicit exclusion under section 3(k) of the Patents Act, 1970 and IPAB decision in OA/22/2010/PT/CH, business methods cannot be granted patent in India, howsoever disguised as technological innovations.

The subject matter as described and claimed relates to e-tendering system primarily aimed at government organizations as well as multilateral organizations such as World Health Organization for both open as well as limited tenders. Following steps have been explained by the applicant:

a) Pre-authentication of bidder by digital signatures,

b) Provide access to the resources of secure platform after pre-authentication,

c) Online secure customization for each buyer organization for accommodating 'variations in tendering policy, procedures and rules', etc

d) Tendering of bids over secure platform/portal server,

e) Integrally evaluate and award the bids

Now, when we look at the invention it has been found that the steps (a-e) as defined in the alleged invention merely represent the process of automation of an existing bidding auctioning which has been conventionally followed, but now it is being done on an internet/intranet in a computer simulated environment. The technical features as defined in the steps a and c are conventional technical elements (pre authentication using passphrase, best bid identification out of comparison, modification of terms and conditions of the bidding process) that are pre-requisite for executing the invention in an automated form.

The subject matter of these claims does not relate to a technical solution but a mere administrative or organizational i.e., business solution without providing any technical solution to any technical problem. The applicant submits that "However, the present invention, as aforementioned relates to a system comprising comprehensive framework having variety of configurable processes for electronic tendering in an innovative manner by variety of Government organizations globally, as well as, other Multilateral Agencies such as the World Bank, and hence it should not be considered as a business method but a prerequisite to identify a business partner.", but while analysing the present set of claims, it has been found that the alleged technical process as claimed to be realized therein is in itself a method of doing business as in the steps (a-e)."

8. The Court has perused the entire order which clearly shows that the Assistant Controller has considered the invention to be a computer based realization of a conventional bidding process method of doing business. The Assistant Controller has come to the conclusion that the technical advance proposed in the invention is simply a method of doing business, even if it is a technically smarter way of doing business and has rejected the application under Section 3(k) of the Act. The amended claims have not been taken into consideration by the Assistant Controller at the time of deciding the fate of Appellant's application. This is clearly a glaring error.

9. Issue notice to the Respondent. Mr. Harish V. Shankar, ld. CGSC, appears for the Respondent and accepts notice. He submits that it appears that amended claims have not been considered by the Assistant Controller.

10. Under these circumstances, the impugned order is set aside. The matter shall be reconsidered by the office of Controller General of Patents, Designs, & Trade Marks (CGPDTM) afresh. A fresh order shall be passed after duly considering the amended claims on all counts including novelty, inventive step and patentability.

11. The Patent Office shall not be affected by the observations in the impugned order dated 12th June, 2020 or the present order in any manner whatsoever.

12. Considering the fact that the patent application is of the year of 2005, the office of CGPDTM shall hear and pass orders in the application within a period of

four months from the date of service of the present order.

13. Ld. CGSC to convey the present order for compliance to the office of the CGPDTM.

14. The appeal and all pending applications are disposed of in these terms.