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***PRACTICE NOTE***

# *The Patentability Threshold for Computer Implemented Inventions & Business Methods*

## Introduction

Recent Board of Appeal ("BoA") decisions in ***T1769/10-IGT*** & ***T1051/07-SK Telecom*** appear to be different to earlier EPO case law on the patentability of computer-implemented inventions ("CIIs") and other "mixed" inventions containing interacting technical and non-technical features. Mixed inventions can cover business methods, gaming systems as well as software based applications.

The underlying issue is that the meaning of "technical contribution" or "technical effect" is undefined in the European Patent Convention ("EPC"). The lack of clear guidance means that claims are rejected for apparently encompassing statutory excluded subject-matter, especially when "non-technical" features form a dominating part of a claim.

## The Problem... and its Solution

The *problem-solution approach* is not the only way for assessing inventive step before the EPO, but it is the *de facto* standard. Unfortunately, there are also fields of technology where even the modified problem-solution approach (i.e. the formulation of a problem as an 'aim to be achieved in a non-technical field' (***T0154/04-Duns Licensing***) encounters difficulties. For example, the assessment of inventive step is very difficult, if not inappropriate, where at least part of the originality involves appreciating the existence of a problem or the opportunity for an unexpected improvement.

When examining a claim to a computer-implemented invention (CII), EPO examiners often isolate claim features from consideration simply because some features appear to be non-technical. This means that impermissible subjectivity is applied because the overall real-world effect is viewed out of context. Subjectivity (based on hindsight) can be seen, for example, when EPO examiners identify differences over the prior art and then to exclude "non-technical" features from consideration by suggesting that they cannot contribute to an overall technical effect. The issue of subjectivity is not helped by older European case law, especially the frequently referenced ***T641/00-Comvik*** decision. Unfortunately, *Comvik* is interpreted by different people in different ways and provides no clear guidance because it never deals with the issue of what is or isn't *technical*.

European (if not national) patent law only precludes patentable invention when the excluded subject-matter is "alone", so the question is really 'what qualifies as excluded subject-matter and when does something take on a technical significance?' To answer this question it is necessary to take a step back by asking a more fundamental question, namely: '*what* is actually taking place and/or *what* in practical reality is being achieved by the claimed "mixed" invention'?

Our extensive work with the Examining Division and the Boards of Appeal indicates that the smallest technical advantage, achieved in practical reality and pointed out in the specification, inherently establishes technical contribution and overcomes the base question of excluded or patentable subject-matter. Also, to overcome this subjectivity and to help secure grant, it is critical that the description and the claim both point to what (technically) is being achieved in the real world.

## A Change in Approach: *T1769/10-IGT*

In *T1769/10-IGT*, the BoA recognized the inherent difficulties in using the problem-solution approach when assessing mixed inventions:

> "In the problem-solution approach, the objective technical problem to be solved is formulated based on the technical effect caused by the distinguishing features of the claim over the prior art, and thus depends on the individual case...
>
> In the case where some general form of implementation of the aim to be achieved in the non-technical field is already known from the prior art, the objective technical problem to be solved may be formulated more specifically as ***how to implement technically*** the aim in the non-technical field, or, reworded, ***to provide a technical solution involving technical means how to achieve the aim*** in the non-technical field" [emphasis added].

There is both good and the bad in this statement because the EPO is apparently saying that it is just a question of "*how*" you go about doing something. The question of *what* is being achieved by the claimed subject-matter is largely ignored. The question of *what is being achieved* is, in our considered view, more significant to the longer-term consolidation of international patent law and the patentability of CIIs.

Placing our commentary in content, the objective problem in the earlier *T1051/07-SK Telecom* decision was: "to provide the system with means allowing a user to load money on his account in the host computer (or to realise money from his account)". The objective problem did not consider '*what'* in practical reality the invention was protecting, although it is evident that the effect in the real world is a computerised banking system that provides access to funds, i.e. a computer-implemented business method that moves and releases funds to a client! The recited 'technical' parts in the allowed *T1051/07-SK Telecom* claim support loading of a mobile financial account through a cell phone and very little else. In fact, it seems reasonable to say that the "*how*" approach just corresponds to the technical implementation of excluded subject-matter *as such*. From our perspective, this doesn't seem to be the right approach to the fundamental question of what is a patentable invention!

To explain in a little more detail, the "transaction system for providing a financial transaction service to a subscriber" in *T1051/07-SK Telecom* becomes less important than the way in which the system or method is achieved. But if the *what* is being achieved is not important, then we are left with the situation where any technical implementation is patentable even though the effect of the claim is directed towards a practical realization of excluded subject-matter, i.e. the claim is merely a dressed-up version of an underlying business method or the computerized implementation of a mental act or business process [see ***T0038/86****, Headnotes 3 and 4*]. Expressing this differently, "administrative and commercial aspects and rules of games" seemingly are ancillary and can generally be ignored when considering inventive step under Art.56 EPC provided that the claim is otherwise based on some form of *machine or transformation of data in the real world*. This suggests that the threshold for excluded subject-matter in

the EPO is lower than the threshold tests applied by many first instance examiners, otherwise there is a double standard within the EPO case law.

## Resolution and Opinion

From our perspective, the reasoning presented in *T1769/10-IGT* appears to be too liberal, although it reflects the fact that the EPO's current regime of assessing CIIs is too harsh. The approach that we have developed and the specific questions that we've asked of the EPO's Board of Appeal in successful appeal work suggest that our assessment has a high degree of credibility. We look forward to working with clients who wish to obtain grant of patents in this difficult area of computer, gaming and business method patent law where we have leading expertise.

At this time, filing of computer-implemented technologies, including business methods and gaming systems, is sensible given that the time frame to resolution is likely to be 4-5 years. We feel that it is only a matter of time before the issue of "technical contribution" is finally addressed, with this meaning that there will be a better objective test that makes patentability of CIIs generally easier.

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