



BL O/041/05

23rd February 2005

PATENTS ACT 1977

APPLICANT	Fujitsu Limited
ISSUE	Whether patent application GB0105396.6 is excluded by section 1(2)(c)
HEARING OFFICER	H Jones

DECISION

Introduction

- 1 Patent application GB0105396.6, entitled “Method, system and center for intermediating transactions” was filed in the name of Fujitsu Limited on 5th March 2001. The application claims priority from Japanese patent application number JP12253054 which was filed on 23rd August 2000. The examiner’s search report dated 11th January 2002 identified a number of prior art documents considered relevant to the novelty and inventive step of the claimed invention. In the letter accompanying the report, the examiner observed that the invention may be excluded from patentability by section 1(2)(c) of the Act as being a scheme, rule or method of doing business.
- 2 The application was published as GB2366886 on 23rd March 2002. In his first examination report dated 12th February 2004, the examiner reported that the claimed invention lacked novelty and inventive step, and was excluded from patentability as being a method of doing business. The application was subsequently amended to overcome the novelty and inventive step objections, but the examiner maintained his objection regarding the patentability of the invention in a further report dated 6th October 2004.
- 3 Having been unable to resolve the matter through either amendment or argument, the matter came before me to decide at a hearing on 10th February 2005, at which the applicant was represented by Mr Steve Mohun of Haseltine Lake.

The application

- 4 The application relates in general terms to the purchase of products over a telecommunication network such as the Internet. A transaction centre is provided in which a delivery schedule of product price and delivery time relating to a number of retailers is presented to a customer, with any purchase orders made by the customer being passed on to the appropriate retailer.

The application acknowledges that it is well known to provide online transaction facilities that allow a customer to choose a particular product on the basis of price, but none that also provide information regarding a product's delivery time. This, it is suggested, would allow a customer to decide at a glance whether to trade off the cost of a product with its time of delivery, and for retailers to present a number of delivery schedules per product where price could be varied depending on delivery time.

- 5 The application also describes in detail the way in which the delivery date of a product is determined by reference to its production lead time, its shipping lead time and both product and customer locations. A database linked to the transaction centre stores information relating to the production and shipping lead times. The claims currently on file include three independent claims directed to a method (claim 1), a network system (claim 5) and a transaction centre (claim 7) for determining a product delivery date. All three independent claims share the same inventive concept and for the purpose of this decision I need only recite one of them; claim 1 therefore reads as follows:

“1. A method of determining in a transaction centre a product delivery date relating to a transaction between a customer buying a product and retailer selling the product through a network, said transaction centre being connectable with a customer terminal of the customer, a retailer terminal of the retailer as one kind of corporation, at least one distributor-client of a distributor as another kind of corporation and at least one delivery service terminal through the network, and having an information storage area, said method comprising the steps of:

providing information concerning the product for said customer;

receiving information showing the product selected by the customer to buy;

calculating a shipping lead-time based on a current time and shipping lead-time information obtained from a lead-time information file being maintained in the information storage area;

calculating a delivery service lead-time based on delivery service lead-time information obtained based on a combination of shipping destination and a shipping-out location from a product location information file being maintained in the information storage area; and

obtaining the delivery date based on a total of the shipping lead-time and the delivery service lead-time;

providing to the customer a delivery schedule including the delivery date of the product; and

receiving an order from the customer and providing information concerning the order to the retailer.”

- 6 At the hearing, Mr Mohun's argument in favour of the application being patentable was based on the invention as defined by claim 4, which reads as follows:

“4. The method as claimed in claim 1, wherein said step of receiving information showing the product selected by the customer includes steps of:

receiving information including a retailer code, a distributor code, a product code, a product attribute, a product price, a shipping price, a shipping destination code, a shipping-out location code, a shipping lead-time, a delivery service code and a freight from the customer terminal;

referring to a slip issue requirement file storing information for issuing a slip to the retailer, the distributor and the delivery service; and

conducting relative processes for the retailer, the distributor and the delivery service, whereby all processes for the corporations related to the product are completed at once, and no further transaction has to be conducted among the corporations.”

The law

- 7 The examiner has maintained that the claimed invention relates to subject matter excluded from patentability under section 1(2) of the Act, in particular to a method of doing business under section 1(2)(c). The relevant parts of this section read:

1(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)

(b)

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

(d)

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

- 8 These provisions are designated in section 130(7) as being so framed as to have, as nearly as practicable, the same effect as Article 52 of the European Patent Convention (EPC), to which they correspond. I must therefore also have regard to the decisions of the Boards of Appeal of the European Patent Office (EPO) that have been issued under this Article in deciding whether the present invention is patentable.

Interpretation

- 9 It has been established by the Courts that an invention will not be excluded from patentability by the above subsection if it makes a technical contribution, e.g. *Fujitsu Limited's Application* [1997] RPC 608 at page 614. The principles to be applied under UK law in deciding whether an invention makes a technical contribution have been rehearsed repeatedly in various decisions of the comptroller's hearing officers in recent times. These can all be found on the Patent Office website at <http://www.patent.gov.uk/patent/legal/decisions/index.htm>. For the purpose of this decision, I consider it necessary only to restate the principles I have applied and not their origin.

- 10 First, it is the substance of the invention which is important rather than the form of claims

adopted. Second, whether an invention makes a technical contribution is an issue to be decided on the facts of the individual case. Third, it is desirable that there should be consistency between the Patent Office's and EPO's interpretation of the exclusion in the Patents Act and the EPC. Finally, any doubt over the patentability of the invention should be resolved in favour of the applicants.

11 In deciding whether the present invention is excluded from patentability I shall consider two specific questions:

- does the invention relate to a business method? If yes,
- does the invention make a technical contribution?

12 At the hearing, Mr Mohun accepted that this was the correct approach to follow.

Argument

13 Mr Mohun accepted that that the invention is very much in the border area of what patents are meant to cover. He also accepted that the invention is intended to support a method of doing business and that it falls squarely within the exclusion set out under section 1(2)(c). Indeed, as he pointed out, one of the stated objects of the invention is to improve an internet shopping system. Having agreed that the invention relates to a method of doing business, Mr Mohun proceeded to argue that the invention makes the necessary technical contribution to make an otherwise excluded invention patentable. He did so on the basis that the invention provides a technical solution to a technical problem.

14 Dealing initially with the technical problem side of the argument, Mr Mohun explained that one of the problems the invention overcomes is the difficulty a customer faces in comparing products, prices and delivery dates all at the same time in order to make a purchasing judgment. This difficulty, it was suggested, is a technical problem. I agree with Mr Mohun that the lack of comprehensive information available to a customer can cause difficulties when needing to make an instantaneous purchasing decision, but these difficulties, it seems to me, are more commercial in nature than anything remotely approaching technical. I cannot accept, therefore, that this lack of comprehensive information is a technical problem.

15 Mr Mohun proceeded to explain that a further problem addressed by the invention is that when an order is placed and the customer has agreed to purchase a product, there has to be a subsequent transaction with the supplier in order to complete order. In other words, a first transaction between the customer and the web based shopping service needs to be followed by a transaction between the shopping service and the supplier before the order is complete. This second transaction needs to be completed as quickly as possible after the first in order to avoid any change in the delivery date or the price already agreed with the customer. Any undue delay in completing the transaction with the supplier could lead not only to inconvenience to the customer but also the risk of financial loss incurred by the web based shopping service. This is not a problem that is unique to internet shopping services but is common to all commodity trading markets, and various strategies for hedging market trading positions have been developed. The applicants have clearly identified a problem in such trading systems, but this problem again seems to me to be more of a commercial concern

than anything technical.

- 16 Mr Mohun's argument with regard technical solution was based on the technical nature of the network and computing elements required to allow all transactions to be completed at once, i.e. the first transaction between the customer and the web based shopping service and the second transaction between the shopping service and the supplier. Mr Mohun pointed to pages 16, 23 and 27 of the specification which describe physical signals being sent automatically between various parts of the server to allow all transactions to be completed at once, and he referred to claim 4 as the closest that any of the claims get to defining this feature.
- 17 Mr Mohun accepted that individual transactions between corporations such as the supplier, the customer and the retailer are essentially business matters and not technical, unless there is some unusual way in which the transactions are concluded. In this regard, Mr Mohun did not consider there to be any novel technical means employed in each of the transactions. However, he went on to suggest that the mere fact that these transactions are carried out automatically by technical means should be sufficient to show that the solution provided by the invention is a technical one.
- 18 The fact that these transactions are completed automatically on conventional computing and networking equipment does not in my mind necessarily point to a technical contribution. The fact that these transactions are completed automatically is, I consider, an expected consequence of employing computing equipment to carry out the process. So too is the relative timing between the first transaction between the customer and server and the second transaction between the server and supplier. Whilst I accept Mr Mohun's point that the invention employs technical means to overcome problems in internet based purchasing transactions, I do not agree that the solution proposed in the application produces a new result in the form of a technical contribution.

Conclusion

- 19 I have been unable to find any technical contribution made by the invention as claimed or described in the in the application as filed. The inventions relates to a business method which, without making any technical contribution, is excluded from patentability by virtue of section 1(2)(c). I therefore refuse the application under section 18(3).

Appeal

- 20 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal must be lodged within 28 days.

H JONES

Deputy Director acting for the Comptroller