



BL O/079/06

23 March 2006

PATENTS ACT 1977

APPLICANT Overture Services Inc

ISSUE Whether patent application number GB
0222326.1 complies with section 1

HEARING OFFICER P Thorpe

DECISION

Introduction

- 1 Application GB0222326.1 entitled "Automatic advertiser notification for a system for providing place and price protection in a search result list generated by a computer network search engine" was filed on 25 September 2002 with a claim to a priority date of 26 September 2001. The application was published as GB 2382686 on 4 June 2003.
- 2 Throughout the examination process the examiner reported that the invention was excluded from patentability under section 1(2). Despite numerous rounds of correspondence the examiner and applicant have been unable to reach agreement as to the patentability of the invention. In his latest report the examiner observed that it was unlikely that further correspondence would resolve the issue, and invited the applicant to request a hearing. The applicant agreed, and requested that a hearing be appointed. The matter therefore came before me at a hearing¹ on 23 January 2006 at which the applicant was represented by Mr Geoffrey Dallimore of Boulton Wade Tennant.

The invention

- 3 Anyone familiar with the internet will be aware that it is possible to enter search terms into a search engine to obtain a list of websites relevant to those search terms. For example when a user enters "UK Patent Office" into an internet search engine a list of results will be produced including hopefully a listing of the website of the UK Patent Office. As well as being a source of information, the internet is also rapidly growing as an online marketplace. This growth has attracted advertisers keen to advertise their own websites.
- 4 Advertisers on the internet pay search engine providers to have their websites

¹ The hearing on this application was held at the same time as the hearing on three other applications filed by Overture Services Inc. These are the subject of decision O/078/06, O/080/06 O/081/06.

listed in search listings. Typically they will identify relevant keywords or phrases such that if those words or phrases are entered into a search engine then their page will be included in the results of a search. For example a company providing intellectual property related services might wish to have its website appear in any search based on the keyword "patent".

- 5 The amount an advertiser is prepared to pay can influence the location of their page in any list with typically the more they pay the higher up in the listing. This reflects the fact that users tend to click more on the results at the top of the first page of results than they do on say the results at the bottom of page 5. An advertiser might pay each time his website is displayed. He might also pay more each time a user "clicks" on his page, which is often called clicking through. An advertiser might also pay more again if a user who clicks through to his page does something further for example he purchases a product online.
- 6 The application relates to a method whereby the owner of a search listing is automatically informed if certain conditions pertaining to his listing change and if so what action might be taken to reverse any change.
- 7 According to the invention an advertiser, for example, would inform a search engine provider that he wishes to monitor where his website appears in a listing if certain search terms are entered by a user. If the listing drops below a certain point or rank in the result list he would like to be notified. The advertiser will also specify how he wishes to be notified, say by email and when, for example at the end of each day. He can also ask that the search engine provider provides an indication of possible corrective action that the advertiser could take to restore his listings to the required position in a result list. The most obvious corrective action would be to increase the amount he is prepared to pay for his listing.
- 8 The latest claims are those filed on 20 June 2005. Claim 1 reads as follows:

A notification method in a computer database system comprising:
receiving a notification instruction from an owner associated with a search listing stored in the computer database system, the notification instruction specifying a condition of the computer database system to be monitored, a time for notification of the owner about the condition, a mode of communication for notification of the owner about the condition and an action type identifying a type of corrective action to be included in a notification to the owner about the condition;

creating a software routine for monitoring the condition specified by the notification instruction;

automatically sending a notification to the owner upon detection by a software routine of a change in the specified condition at the specified time using the specified mode and including a suggested corrective action of the specified action type;

receiving acceptance from the owner of the suggested corrective action;
and in response to the acceptance from the owner, automatically performing the corrective action.

- 9 There is also a second independent claim, claim 22, directed to a database system for essentially performing the method of claim 1.

The Law

- 10 The examiner has reported that the application is excluded under section 1(2) of the Act. 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) a discovery, scientific theory or mathematical method;
- (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 purposes of this Act only to the extent that a patent or application for a patent relates to that thing as such

- 11 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

- 12 In a Practice Notice² issued on 29 July 2005, the Office explained that it was adopting a new approach to assessing whether an invention relates to unpatentable subject matter. This new approach reflects the approach adopted by Peter Prescott QC sitting as Deputy Judge in his judgment in *CFPH*³. The new approach is a two step approach which can be summarized as follows:

Identify what is the advance in the art that is said to be new and not obvious (and susceptible of industrial application)

Determine whether it is both new and not obvious (and susceptible of industrial application) under the description of an “invention” in the

² Patent Office Practice Notice: Patents Act 1977: Examining for Patentability” see <http://www.patent.gov.uk/patent/notices/practice/examforpat.htm>

³ *CFPH LLC's Application [2005] EWHC 1589 Pat*

sense of Article 52 of the European Patent convention – which section 1(2) of the Act reflects.

- 13 Once the new and non-obvious advance has been identified, Mr Prescott suggests that it would often be possible to determine whether this was an advance under the description of an invention by asking “Is this a new and non-obvious advance in technology”. However, because of the difficulty sometimes associated in determining what is meant by technology, Mr Prescott says that if there is any doubt in this regard then it will be necessary to have recourse to the terms of Article 52 of the EPC.
- 14 Subsequent judgments issued by the High Court (*Halliburton*⁴, *Shoppalotto*,⁵ *Crawford*⁶ and *RIM v Inpro*⁷) all point to a similar requirement for a technical advance in order to pass the test for patentability.

Mr Dallimore’s submission on the approach that I should take

- 15 Mr Dallimore addressed me at some length at the hearing on the new approach being adopted by the Office. In particular he expressed concern that this approach appeared to be significantly shifting the boundary as to what is and is not patentable. This he believed was especially so in relation to computer programs. Having read some of the Office decisions implementing the new approach he had formed an impression that if an invention resided solely within the operation of a computer then it would not be patentable. If however the invention was using a computer to control something outside of a computer say an industrial process then that could be patentable.
- 16 Mr Dallimore also questioned whether under the new approach the invention that was found to be patentable in *Vicom*⁸ would still be patentable. The *Vicom* decision in his opinion had been strongly affirmed in *Fujitsu*⁹ where support was also to be found for the concept of technical contribution. He also suggested that *CFPH* had also affirmed *Vicom*. He referred me specifically to paragraph 64 of *CFPH* where Peter Prescott QC in discussing *Vicom* notes that the Board

“did not allow the applicants to monopolise the mathematical method for all conceivable purposes, but they did allow it for the image-enhancing process. I believe that that aspect of the Board’s reasoning holds good today.”

- 17 Mr Dallimore referred me to further passages in *CFPH* all in his opinion affirming that a computer program is not a computer program “as such” if it is carrying out a technical process. The intent behind this line of argument was to persuade me against adopting an approach that took in his view an overly strict interpretation of paragraph 103 of *CFPH* which reads:

4 *Halliburton Energy Services Inc v Smith International (North Sea) Ltd and others* [2006] RPC 25

5 *Shoppalotto.com’s Application* [2005] EWHC 2416 (Pat)

6 *Cecil Lloyd Crawford’s Application* [2005] EWHC 2417 (Pat)

7 *Research In Motion UK Ltd v Inpro Licensing* [2006] EWHC 70 (Pat)

8 T208/84 *Vicom* [1987] OJEP 14

9 *Fujitsu Limited’s Application* [1997] RPC 608

“It was the policy of the “computer program” exclusion that computer programs, as such, could not be foreclosed to the public. (Copyright law is another matter). They would be foreclosed if it was possible to patent a computer when running under the instructions of the program, for example, or a magnetic disk when storing the program.”

- 18 In particular Mr Dallimore appeared concerned that I would proceed on the basis that this particular paragraph effectively excluded any computer program from patentability.
- 19 It is clear to me that the Deputy Judge in *CFPH* did not intend to “foreclose” all computer programs from patentability. Rather it appears to me that the intent in this particular paragraph is to reiterate that the computer program as such exception cannot be circumvented by seeking to claim a computer program as such under the guise of a computer running the program or a disk containing it.
- 20 This is consistent with the long established principle of UK patent law that in deciding whether an invention is patentable, it is the substance of the invention that is important and not the form of wording used to claim it.
- 21 As the practice notice makes clear, the Office’s new approach following *CFPH* does not change the boundary of what is patentable and for the vast majority of cases the answer under the new approach will be the same as under the previous one.

Argument

- 22 In his latest examination report the examiner, after applying the two stage *CFPH* test, found that the invention is excluded from patentability under section 1(2) of the Act. In reaching that conclusion the examiner took into consideration the advance made by the invention which he characterized as: a notification method of an owner following a changed condition in a database search system and the generation of a suggested corrective action which can be carried out automatically on receiving acceptance from the owner of the suggestion, and where the suggested corrective action and the features of the automatically generated notification are determined in accordance with previously stored owner preferences.
- 23 At the hearing Mr Dallimore expressed the advance in slightly different terms focusing in particular on the array of different pieces of information which are initially received and then how that information is used in order to create an automatic notification.
- 24 The clear impression that I got from Mr Dallimore at the hearing was that a large number of the steps claimed could have been done, and indeed were done, manually before the earliest date of the application. An advertiser could monitor on a daily basis where his website was appearing in lists by simply typing in the relevant search term. He could assess whether its position was acceptable and he could take corrective action to remedy the situation if required. He might be able to determine the corrective action himself based on available information or he might need to consult the search engine

provider.

- 25 What the invention therefore sought to do was to automate this. Mr Dallimore was however at pains to point out that it is not merely about automating it. It is also about how you automate it. This leads back to the importance of collecting from the user the right sort of information in order to be able to automatically notify him.
- 26 According to Mr Dallimore it is the “how” that gives the advance technicality. He talked about the need for a technically skilled computer programmer to find some way of automating it. Mr Dallimore accepted that a businessman might have come up with the idea of how to improve the business but someone else had to go away and actually do it.
- 27 But as I see it what is important is the “it” that Mr Dallimore is referring to. This “it” is the advance. It is the idea of getting information from a user and providing him automatically with information in return. It may well be that both the businessman and the programmer decide on what the information should be. That is not relevant. What is relevant is that the information relates solely to how for example an advertiser interacts with the search engine provider or to put it another way how the two parties do business together. This is not technical. It is simply a method of doing business implemented by a computer program.
- 28 Applying the second stage of the test I therefore find that any advance that might be new and not obvious lies in excluded matter in particular a method for doing business. Given that the invention is implemented by software running on a conventional computer system, I also find that the invention relates to a computer program as such.
- 29 During the hearing Mr Dallimore raised the possibility of further amending the claim by limiting it to purely electronic communication methods and possibly just email. I do not think that this really alters in any significant way what might be considered the advance provided by the application and therefore I conclude it would not alter my view that the invention is not patentable.

Conclusion

- 30 I have found that the invention relates to a method of business and a computer program. I have looked carefully through the application but have been unable to identify anything that might support a patentable claim. I am sure if there was anything else in the application then Mr Dallimore would have brought it to my attention. I therefore refuse the application under Section 18(3) on the grounds that the claimed invention is excluded under Section 1(2).

Appeal

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

Phil Thorpe
Deputy Director acting for the Comptroller