

Are Computer Programs and Business Methods Patentable under European Patent Law? (Part 2)

In this newsletter, we will look at how the European Patent Office (the “EPO”) considers whether the inventive step of a computer program or a business method is sufficient for patent grant.

Inventive Step

European patents shall be granted for any inventions which are susceptible of industrial application, new and involve an inventive step. As discussed in last issue of this Newsletter (http://www.onc.hk/pub/oncfile/publication/ip/0610_EN_Computer_Programs_under_European_Patent1.pdf), a computer program or a business method must involve an inventive step to qualify for patent grant.

The General Rule

According to Article 56 of the European Patent Convention, an invention shall be considered as involving *an inventive step* if, having regard to the *state of the art*, it is *not obvious to a person skilled in the art*.

What is “state of the art”?

According to *Appeal Decision of COMVIK (case no. T641/00-3.5.1)*, the “*state of the art*” should be understood as the “*state of the technology*”. Therefore, only the technical characters of the invention of computer program or business method will be taken into consideration in evaluating the inventive step.

What is “person skilled in the art”?

The case further states that “if the technical problem is concerned with a computer implementation of a business, actuarial or accountancy system, the skilled person will be someone skilled in data processing, and not merely a businessman, actuary or accountant”. Hence, the person skilled in the art should be *someone who is skillful in the technology related to the technical characters*.

In computer program or business method implemented by computer system, such person will usually be an ordinary programmer, rather than an ordinary businessman.

What is “not obvious”?

The improvement of the invention relating to computer program or business method must be non-obvious in the sense of technical characters, which are not merely related to the methodology or the business model itself. In other words, if a business method can be implemented by an ordinary programmer without solving any technical problems, i.e. obvious to the programmer, it is not likely the EPO will recognize any inventive step in such business method.

The US standard

On the other side of the Atlantic, the United States Patent and Trademark Office (the “USPTO”) has been *more liberal in granting software patents and business method patents*, in particular to those methods related to the use of computer or the Internet, ever since the 1998 court decision in *State Street Bank v. Signature Financial Group, Inc.* (47 USPQ 2d 1596 (CAFC 1998)). In such case, the Court ruled that the patent laws were intended to protect any method so long as it produced a “useful, concrete and tangible result”. The technical characters of the invention are not given as much weight by the USPTO as the EPO in considering the inventive step. With the boost of business transactions via the Internet, there has been an overwhelming increase of online business methods filing to the USPTO since then, now causing a huge backlog of applications pending examination.

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IMPORTANT:

The law and procedure on this subject are very specialized and complicated. This article is just a very general outline for reference and cannot be relied upon as legal advice in any individual case. If any advice or assistance is needed, please contact our solicitors.