

PATENTS ACT 1977

IN THE MATTER OF GB Patent
Application No 0005904.8 in the
name of Dell USA LP

DECISION

1. Application number 0005904.8 was filed on 10 March 2000, claiming a priority date of 9 April 1999 based on a United States application. It was published on 17 January 2001 bearing the number GB2352067.
2. A substantive examination report was issued on 9 April 2001, the sole content of which was an objection that the invention claimed was not new having regard to GB patent application number 2343972. However, after a response to this report, the further objection was raised that the invention relates to a scheme, rule or method for doing business. Applications which relate to such subjects are excluded from patentability by sections 1(1)(d) and 1(2)(c).
3. Amendments were offered, but the examiner was not satisfied, and the result was a hearing before me on 22 March 2002, which was attended by Mr S Howe and Mr G Chisholm of Lloyd Wise, Tregear & Co.

The application

4. The application is entitled "Interactive upsell advisor method and apparatus for internet applications". The latest formally filed claims include two independent claims, relating respectively to a system for the on-line configuration of a user

configured computer system, and a method for the on-line configuration of a build-to-order computer system.

5. The independent claims, in full, are reproduced below.

6. 1. A system for the on-line configuration of a user configured computer system comprising:

an existing computer system operated by a user; and

a web-based on-line user interface being accessed by the existing computer system via the Internet, comprising:

means for determining which of a number of prescribed sets the user operating the existing computer system belongs to;

a configurator enabling the user to on-line build a user configured computer system from options listed on a configuration screen displayed by the existing computer set;

a database for dynamically supplying configuration options to the configurator in accordance with the identification of the user belonging to the prescribed customer set;

a storing means for temporarily storing a customer configured computer system;

an interactive advisor means operatively coupled to the configurator, the database, and the storing means, wherein the interactive advisor means checks the customer configured computer system and sends a recommendation to the existing computer system to improve the configured computer system, the

recommendation being a function of the prescribed customer set, the user configured system and prescribed advisor rules; and

wherein the interactive advisor means automatically updates the configuration of the user configurator computer system in response to an operation of the existing computer system by the user.

8. A method for the on-line configuration of a build-to-order computer system, comprising:

providing an on-line user interface to be accessed via the Internet from a user operating an existing computer system;

determining which of a number of prescribed sets the user operating the existing computer system belongs to;

providing a configurator for configuring a user configured computer system with options listed on a configuration screen displayed by the existing computer system;

providing a database for dynamically supplying configuration options to the configurator in accordance with the identification of the user belonging to the prescribed set;

providing a storing means for temporarily storing the user configured computer system;

providing an interactive advisor means operatively coupled to the configurator, the database, and the storing means for checking the user configured computer system and sending a recommendation to the existing computer system to improve the configured computer system, the recommendation being a function of the

prescribed set, the user configured computer system and prescribed advisor rules;
and,

automatically updating the configuration of the user configured computer system
by the interactive advisor in response to an operation of the existing computer
system by the user.

7. Although I have quoted the independent claims on file in full, it was acknowledged at an early stage of the hearing that it was the substance of the claims rather than their precise construction which was important, following the approach set out in the headnote to *Fujitsu Limited's Application*, [1997] RPC 608 ("*Fujitsu*"): "The court should look at claims as a matter of substance. The fact that the invention was claimed as a method, a way of manufacture or an apparatus was irrelevant when the only invention claimed revolved around the use of a computer program. The only question was whether there was a technical contribution so that it could not be said that the invention consisted of a computer program per se."
8. Modified versions of the claims, with some alternative terms included, were handed to me at the hearing, as a basis for avoiding any prejudicial interpretation of the substance of the invention owing to the terminology of the claims on file.

The law

9. The examiner has argued that the application is invalid by reason of Section 1(1) which reads:

A patent may be granted only for an invention in respect of which the following conditions are satisfied, that is to say -

- (a) the invention is new;
- (b) it involves an inventive step;
- (c) it is capable of industrial application;

- (d) the grant of a patent for it is not excluded by subsections (2) and (3) below;

and references in this Act to a patentable invention shall be construed accordingly.

10. In particular, he has directed attention to Section 1(1)(d), and its reference to Section 1(2), which reads:

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) a literary, dramatic, musical or artistic work or any other aesthetic creation whatsoever;
- (c) a scheme, rule or method for performing a mental act, playing a game or doing business, or a program for a computer;
- (d) the presentation of information;

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 effects in the United Kingdom as the corresponding provisions of the European Patent Convention, the Community Patent Convention and the Patent Cooperation Treaty have in the territories to which those Conventions apply.” The corresponding provision in the European Patent Convention is Article 52, and numerous decisions have been issued under this article.

12. The examiner relies upon Section 1(2)(c) and its reference to a method of doing business.

Interpretation

13. For interpretation of section 1(2) I am guided by the words of Aldous LJ in *Fujitsu* at page 614:

“However, it is and always has been a principle of patent law that mere discoveries or ideas are not patentable, but those discoveries and ideas which have a technical aspect or technical contribution are. Thus the concept that what is needed to make an excluded thing patentable is a technical contribution is not surprising. This was the basis for the decision of the Board in *Vicom*¹. It has been accepted by this court and by the EPO and has been applied since 1987. It is a concept at the heart of patent law.”

14. Following the statement quoted from *Fujitsu*, even if an invention is excluded, in that case because it consisted of a computer program, but in the present instance because it consists of a method of doing business, if the invention provides a technical contribution, it may be patentable. Mr Howe did not dispute that the invention, however set out in the claims, involved a business process, but took pains to submit that there was a technical contribution which saved the application.

Argument

15. Mr Howe directed my attention to the decision of the European Board of Appeal in *Sohei's Application* T769/92. In this case, the application was directed to a computer system for plural types of independent management including financial and inventory management, and a method of operating a general-purpose computer management system. He quoted from the headnote: “Non-exclusion from patentability

¹VICOM/Computer related inventions (Decision T208/84) [1987] OJEP0 14, [1987] 2 EPOR 74

cannot be destroyed by an additional feature which as such would itself be excluded, as in the present case features referring to management systems and methods which may fall under the “methods for doing business” excluded from patentability under Article 52(2)(c) and (3) EPC...” He argued that this means that a claim to an invention with technical features would not become excluded from patentability if a feature were included which would itself be excluded. He suggested as an example a new form of chair, characterised by physical features, but also by the feature of selling the chair.

16. His argument was that the invention in the present application relates to a process of putting together a computer system. He did not actually use the expression “putting together”; but admitted to disliking the terms “customize”, “configure”, or “design”. The system forming the subject of the invention accepts a set of components from the purchaser, and taking into account the nature of those components in order to determine the nature of the user, recommends alternatives. The system takes the nature of the user into account, as Mr Howe explained, so that the user did not find the recommendation forever pointing to a super-computer.
17. In the process of selecting the components of the computer system, the user is informed that modifications are recommended. Such modifications may be aimed at improving the technical functioning of the system. The term used in the specification is “upsell”. For example, a larger RAM or hard drive may be proposed. Mr Howe sought to play down the term “upsell” as it sounds very much like a business process, and preferred to use the term “upgrade”, while acknowledging that this term has other connotations.
18. It was put to me that the process of analysing the selection made, and making suggestions for improvement, was akin to a vending machine which was intelligent enough to question a choice entered by a user. The example he gave was where the user had requested orange juice with milk, and the vending machine generated

a message suggesting that this might have been specified by mistake. Mr Howe submitted that a vending machine having this feature would be technically different from other vending machines; that is to say, that providing this function would be a technical advance.

19. I am bound to say that however persuasive this argument might appear, I cannot be drawn along that line. My decision must be based on the facts of this case, not on a hypothetical one.
20. It was also put to me that the Dell web site, which although not at the time of the hearing yet in the form contemplated by the application in suit, will offer a variety of choice amounting to 70 million options. A user will select the components for the system required, and will then be advised that the system can be improved. The range of options, I am informed, is more than a salesperson could handle.
21. I am not persuaded by this argument. The invention as set out imposes no limitation on the complexity of the system; although the system in operation may well be programmed to consider, in effect, 70 million combinations, it could be considerably less. Even when the number of options is large, the computer is doing no more than its familiar function of performing a large number of iterations quickly.
22. I was referred to some further reported decisions.
23. The first was the decision of the EPO Board of Appeal in Pension Benefit Systems Partnership's Application T0931/95 ("Pension Benefits"). In this decision, a careful course was traced between finding that some claims related to non-patentable categories, namely a method for doing business as such, and other claims lacking in inventive step since the improvement envisaged is in the field of economy and hence cannot contribute to inventive step.

24. I was also referred to three decisions of the German Court. One, dealt with in some detail, was the decision of the German Federal Supreme Court in Case No. XZB 15/98 “Speech analysis apparatus” (“Speech analysis”), which was presented to me to show that Pension Benefits was not an isolated case. This decision is referred to in Pension Benefits. I was referred to the headnote “an apparatus (data processing equipment) that, with regard to the programs used on it, is configured in a certain manner has technical character”. In the body of the decision, the Federal Supreme Court states:

“The technical character even of a known apparatus that as such is technical cannot be denied because it does not add anything (new) to technology. If at all, an examination with regard to whether there is an enrichment of technology or a contribution to the state of the art is only justified on examining the patentability, provided the non-applicability of the patentability requirement of technical progress leaves room for such a contribution at all.”

25. The other two German decisions, XZB 16/00 and XZB 11/98, were not discussed in detail, but evidently serve to indicate further that Pension Benefits is not isolated.

26. While I am not bound by any of these decisions, I do need to take them into account in reaching my decision in the present case. Mr Chisholm drew my attention to these words quoted in Fujitsu, but from Gale’s Application [1991] RPC 305, in relation to interpretation of section 1 of the Patents Act 1977 and Article 52 of the European Patent Convention:

“What is more, any substantial divergence would be disastrous. It would be absurd if, on an issue of patentability, a patent application should suffer a different fate according to whether it was made in the United Kingdom under the Act or was made in Munich for a European patent (UK) under the Convention.”

27. The inference from Pension Benefits and Speech analysis is that lack of technical contribution might be a matter of inventive step rather than exclusion from patentability.
28. In Pension Benefits, the Board of Appeal found that the method claim related to a method of doing business as such and was therefore excluded from patentability, but that the apparatus claim did relate to an invention within the meaning of Article 52(1) EPC, but lacking in inventive step. Similarly, in Speech analysis, the Federal Supreme Court rejected the decision of the Federal Patent Court denying patentability of the subject matter of claim 1 on the grounds that it is not based on a technical achievement, but remanded the matter to the Federal Patent Court for further proceedings to determine whether the subject matter is new and based on an inventive step.
29. In each case, the form of the claim was considered important, which causes me a difficulty in view of the statement quoted above from Fujitsu. In this respect, I regard following Fujitsu as the way forward.
30. Finally, my attention was directed to a number of granted patents. These were: GB 2294141, directed to a computer apparatus for enabling parties to enter contracts related to future events having a number of quantifiable outcomes; EP 762304, directed to an automated warrant trading system; EP 471063, directed to apparatus for order management by market brokers; EP 564548, directed to creating a user defined document; and EP 701717, relating to setting up insurance contracts.
31. In the absence of a reasoned decision on any of these patents, and a detailed analysis which I was not offered, I can draw no conclusions from the mere fact that they have been granted.

Reasoning

32. This application bears some similarity to a previous application by the same applicants, number GB9919949.9 (GB2343972) on which I have issued a decision on the same topic. The present application introduces additional features, and has been argued in a different way.
33. The question before me is whether the invention forming the subject of the application in suit makes a technical contribution to the known prior art. That is the teaching of Vicom and Fujitsu, and the basis of the submissions put to me.
34. I have been faced with submissions that the field of the invention is technical. Insofar as the invention is embodied in computer apparatus, that is true. It was put to me also that the invention was part of a process of manufacture of a computer system, which again is a technical aspect. Even though the application does not state in terms that once the user has specified the components of a computer system it is built, it is apparent that that is what will happen.
35. However, the mere fact that the invention lies in a technical field does not mean that there is a technical contribution.
36. The system and method forming the subject of the present application forms an interface between the user (or customer) and the computer manufacturer, represented by computer apparatus. The user selects options, and the computer advises the user on ways of improving those options. This to my mind is no more than a competent salesperson would do. The fact that the process is carried out by a computer rather than a human being does not in itself make the process technical. The specification does not go into precise detail of how the computer is programmed or constructed to perform the task; all that is given is the process, it being presumably assumed that the method of putting the process into effect is a matter of conventional programming.

37. Advising a customer on improvements to the equipment ordered is a business process, whether it is carried out by a human being or a machine. Whether the claims are directed to apparatus or to a method, however the terminology is modified, as in the extra versions of the claims handed up at the hearing, to eliminate terms which sound like business processes, and whether or not the invention is expressed as a step in the manufacture of a computer system, that remains the case.
38. I therefore find that the present application relates to a method of doing business, and insofar as the specification is silent with respect the technical detail of the process, one which offers no technical contribution to the art. The application is therefore refused under section 18(3) on the grounds that the application relates to a subject excluded from patentability by sections 1(1)(d) and 1(2)(c).

Appeal

39. This being a substantive matter, any appeal should be lodged within six weeks of the date of this decision.

Dated this 24th day of April 2002

M G WILSON

Deputy Director, acting for the Comptroller

THE PATENT OFFICE