Intellectual Property Office

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PATENTS ACT 1977

APPLICANT	Kwesi Jhannon Fanus Aleksandra Ewa Nalepa-Fanus
ISSUE	Whether patent application GB1604960.3 complies with section 1(2)(c)
HEARING OFFICER	J Pullen

DECISION

Introduction

1 Patent application GB1604960.3 entitled "Network based commerce platform and system" was filed on 23 March 2016. On 4 October 2017 the application was published as GB 2548809 A.

2 On 1 August 2017 the search examiner issued a search report under section 17(5)(b) of the Patents Act 1977 that search would not serve any useful purpose in respect of the application. In an examination opinion accompanying the report the examiner set out that in his opinion the application is excluded from patent protection under section 1(2)(c) on the grounds that it relates to a method of doing business, a program for a computer, and a method of playing a game as such.

3 In due course, on 1 April 2020, the substantive examiner issued an abbreviated examination report under section 18(3) adopting the contents of the search examiner's examination opinion to make an objection that the application is excluded under section 1(2)(c). The examiner warned the applicants that in his opinion there was no prospect of any amendment that would be suitable to overcome the objection and invited the applicants to be heard on the matter.

4 By way of their attorney's letter of 1 October 2020, the applicants responded to the examination report by submitting arguments and observations and requesting to be heard by a hearing officer.

5 The examiner wrote again to the applicants on 25 November 2020 in the form of a pre-hearing report, confirming that arrangements for a hearing would be made and setting out the objections. The examiner responded to the applicants' observations and arguments and maintained that the application is excluded as a method of doing business and a program for a computer as such. However, the objection based on the game exclusion was not maintained.

6 Prior to the hearing, the applicants' patent attorneys, Graham Watt & Co LLP, wrote to the office by email on 25 February 2020 to explain that, although they understood they were still the applicants' representatives, they would not be attending the hearing. They explained that Mr Fanus would be representing the applicants in person at the hearing.

7 Accordingly, the matter came before me at a hearing on 3 March 2020 held by video link using Microsoft® Teams. I am very grateful for the time that Mr Fanus took at the hearing to explain to me, in his own words, how the invention works and why he thought that it was not excluded.

Matters to be decided

8 The sole matter before me is to decide whether the application is excluded from patent protection under section 1(2)(c). If I find in favour of the applicants, then the application will need to be remitted back to the examiner for a search to be conducted under section 17 and for examination of the application to be completed in accordance with section 18.

The invention

9 The application describes a "network based commerce platform for enhancing trade and for improving an on-line interactive experience" and "for amplifying and facilitating commerce". As the description explains, the platform is web based. An example of the platform and its constituent elements is shown in fig. 2 which is reproduced below. The platform has a central hub/server/resource 1 that is accessible by each of a user interface 2, a developer interface 3, and a supplier

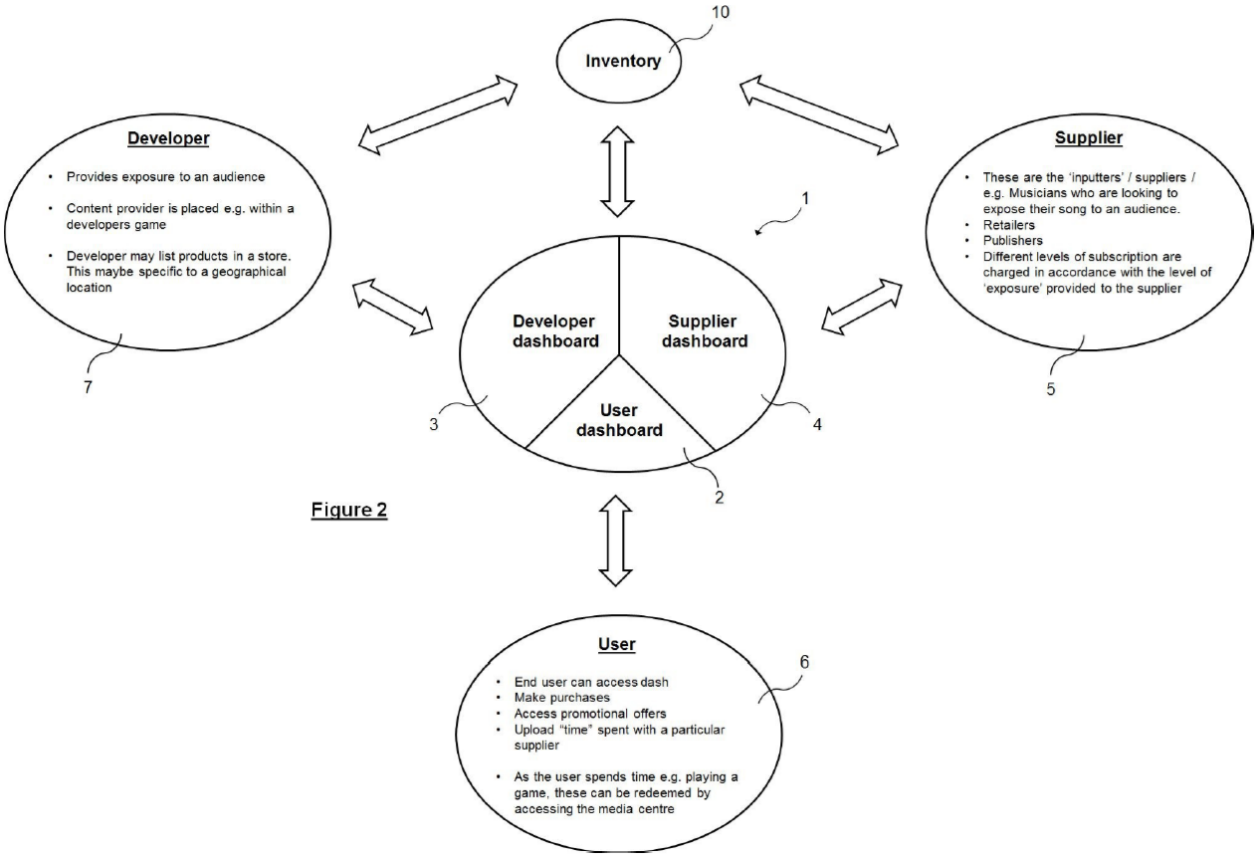

Figure 2

interface 4. The user interface 2 allows a user 6 to enter an on-line environment where they can take part in designated activities of a virtual nature. In one example, the designated activities may involve a user 6 playing a game. The developer interface 3 allows a developer 7 to provide such a designated activity for the user, and to engineer the activity to promote access to certain content, goods and/or services for that user. The developer's engineering process may take into account a user's profile, the profile being established according to one or more of the user's self-defined preferences, the user's on-line activity (e.g. choices of games played, websites visited, geographical location or on-line purchases made), the user's off-line activity (e.g. shops/stores visited, geographical location or products purchased), and/or a product or service provider's preferences. The supplier interface 4 allows a supplier 5 to offer content, goods and/or services to a developer 7 for use in developing the designated activities for the user. For example, the content, goods and/or services may include a music selection offered by the supplier 5, which is incorporated into an on-line game by the developer 7 to be played by the user 6, who can then be offered the music or related music by the supplier 5. Alternatively, the user may be provided with (or win) rewards. A user may then share received offers or rewards by sending them to family members, friends or colleagues.

The claims

10 The set of claims to be considered was filed with the application on 23 March 2016. There are three independent claims, numbered 1, 5 and 10, that set out the invention in the following terms:

> *1. A platform for integrating virtual (on-line) and real experience; the platform comprising:-*
> *providing a virtual environment for a user;*
> *providing opportunities within the virtual environment for the user;*
> *wherein the opportunities relate to interaction with real products or services outside of the virtual environment.*
>
> *5. A platform for facilitating commerce, the platform comprising:-*
> *a central hub/server/resource accessible by each of;*
> *a user interface, a developer interface and a supplier interface;*
> *wherein the user interface allows a user to enter an on-line environment where they can take part in designated activities;*
> *wherein the developer interface allows a developer to provide such designated activities for the user, and to engineer the activities to promote access to certain content, goods and/or services for that user; and*
> *wherein the supplier interface allows a supplier to offer content, goods and/or services to a developer for use in developing the designated activities for the user.*
>
> *10. A network based commerce system, the system comprising:-*
> *a central node that can communicate with one or more developer nodes and one or more supplier nodes,*
> *the one or more developer nodes building interactive virtual activities for a user to participate in within a virtual environment, and the one or more*

supplier nodes providing content for the one or more developer nodes to include in the interactive user activities,

wherein the content relates to products or services outside of the virtual environment.

The law

11 As I explained to Mr Fanus at the hearing, the relevant section of the Act is section 1(2) which sets out that certain things are excluded from patent protection. Section 1(2)(c) includes specific exclusions to methods of doing business, playing games, and programs for computers as such:

> *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 … 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.*

12 I explained to Mr Fanus that judgments of the UK courts have determined how section 1(2) should be interpreted and applied. If an invention makes a relevant "technical contribution", then it avoids exclusion under section 1(2). However, a contribution which consists solely of excluded matter does not count as a technical contribution.

13 The approach to be followed when deciding whether an invention is excluded or whether it makes a technical contribution was set out by the Court of Appeal in their *Aerotel/Macrossan* judgment[1]. The approach has four steps:

> *(1) Properly construe the claim;*
>
> *(2) Identify the actual contribution;*
>
> *(3) Ask whether it falls solely within the excluded subject matter;*
>
> *(4) Check whether the actual or alleged contribution is actually technical in nature.*

14 As set out in the pre-hearing report, the judgments of the High Court in *AT&T*[2] and the Court of Appeal in *HTC*[3] provided guidance in the form of five "signposts" which

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[1] *Aerotel Ltd v Telco Holdings Ltd* [2007] R.P.C. 7

[2] *AT&T Knowledge Ventures / Cvon Innovations v Comptroller General of Patents* [2009] EWHC 343 (Pat)

[3] *HTC Europe Co Ltd v Apple Inc* [2013] EWCA Civ 451

may indicate that a computer program provides a technical contribution. In their present form the signposts are:

> *i. whether the claimed technical effect has a technical effect on a process which is carried on outside the computer;*
>
> *ii. whether the claimed technical effect operates at the level of the architecture of the computer; that is to say whether the effect is produced irrespective of the data being processed or the applications being run;*
>
> *iii. whether the claimed technical effect results in the computer being made to operate in a new way;*
>
> *iv. whether the program makes the computer a better computer in the sense of running more efficiently and effectively as a computer;*
>
> *v. whether the perceived problem is overcome by the claimed invention as opposed to merely being circumvented.*

Discussion

15 The submissions that Mr Fanus made at the hearing were lengthy and wide ranging. I have considered all his arguments very carefully. I shall address them in my application of the *Aerotel/Macrossan* approach to the facts and features of the present case.

Step 1 – properly construing the claims

16 I began by explaining to Mr Fanus that the first step, which is to construe the claims, is about asking what the words of the claim actually mean. Patent law requires that patent claims are to be interpreted through the eyes of a hypothetical skilled person by asking what it is they would understand the words of the claims to mean in light of the description and the drawings.

17 Mr Fanus spoke on several occasions about how he felt a software developer (or programmer) would understand his invention. Based on this I believe it is reasonable to say that the relevant skilled person in this case is a software developer.

18 In his attorney's letter of 1 October 2020, Mr Fanus sets out that he believes the examiner's interpretation of claim 1 is incorrect. Mr Fanus reiterated these criticisms at the hearing. Mr Fanus stated on several occasions that he believes the examiner has wrongly allowed their "personal bias" to influence their interpretation of the claims or that the examiner's "bias" has led to errors in their interpretation of the claims. For example, Mr Fanus said that the examiner had failed to see that the invention is essentially a "protocol" or a "utility" that creates a "marketplace", specifically a "digital marketplace". When I pressed Mr Fanus on where the disclosure of these terms might appear in the application, Mr Fanus seemed to acknowledge that his application does not describe his invention using these terms explicitly. Mr Fanus said that these meanings were "hidden behind" his description of the constituent features and functions of his platform as they relate to its users, developers and suppliers. I understood Mr Fanus to be saying a software developer

would understand (or infer) from a reading of the description that the features and functions of the platform he describes amount to a “protocol” or “utility” that can implement a digital marketplace on a network to facilitate interactions between users, developers and suppliers. Mr Fanus went further by saying that the word “platform” could be replaced with either the word “utility” or “protocol” since they all amounted to the same thing. I understood Mr Fanus to be saying that the words “platform”, “utility” and “protocol” are synonymous. Assuming that Mr Fanus is correct that these words are indeed synonymous, then it is difficult to see how the examiner has made any error of interpretation. The examiner has not suggested the word “platform” appearing in the claims should have any special or unusual meaning, nor that it should have any meaning other than its usual meaning in the art. Respectfully, I do not agree that the examiner has exhibited any “bias” or that such “bias” has led to any error in the examiner’s interpretation of the claims.

19 Mr Fanus also reiterated his criticism that the examiner has wrongly confused or equated the claimed invention with the idea of an online shop or an online store. However, I am unable to see anything in either the examination opinion or the pre-hearing report that would appear to substantiate this criticism. For example, as I understand it, the examiner has not said that the platform or system of the claims would be interpreted as an online shop or store.

20 Mr Fanus also said, repeatedly, that in his view the claims are not limited to playing games. I note that in the pre-hearing report the examiner acknowledges the claims are not so limited. Mr Fanus explained that the idea of implementing the invention as a game is just one example of how his invention might be embodied. Mr Fanus explained that the invention is applicable in many other sectors or markets including the healthcare sector, the energy market and the enterprise and professional services markets. I acknowledge that the description says the invention may be applied widely in many different sectors (see e.g. page 16, lines 6-13). I agree with Mr Fanus and the examiner that the claims are not limited to a gaming implementation.

21 I explained to Mr Fanus at the hearing that, in my view, the claims are essentially clear and that they present no difficulty in their interpretation. The inventive concept linking claims 1, 5 and 10 is a platform or system that provides a virtual (or online) environment for a user, where the environment provides opportunities to interact with goods and services, or provides activities that promote (or include) content relating to goods and services. Claims 5 and 10 build on this by further specifying that a developer interface (or developer node) allows for the provision of the activities for the user, and that a supplier interface (or supplier node) allows a supplier (or supplier node) to provide content, goods or services for the developer (or developer node) to include in the activities for the user.

22 I also explained to Mr Fanus that I don’t think there can be any doubt that the invention of claims 1, 5 and 10 is implicitly implemented using a computer, computer hardware, or a network of computers. As I understand it, Mr Fanus did not dispute this.

Step 2 – identify the contribution

23 I explained to Mr Fanus at the hearing that guidance on the factors to be considered when identifying the contribution was set out in the *Aerotel/Macrossan* judgment. This includes looking at what the problem is, how the invention works, and what its advantages are:

> *The second step – identify the contribution – is said to be more problematical. How do you assess the contribution? Mr Birss submits the test is workable – it is an exercise in judgment probably involving the problem said to be solved, how the invention works, what its advantages are. What has the inventor really added to human knowledge perhaps best sums up the exercise. The formulation involves looking at substance not form – which is surely what the legislator intended.*

24 Before going on to consider these factors, I will make a preliminary point. While I have no doubt that the invention is computer implemented, the contribution in my view does not lie in either new computer hardware or in any new arrangement of hardware *per se*. No detail is given in the application with respect to the computer hardware used, over and above what is conventional in the art. As I understand it, Mr Fanus does not dispute this.

Problems addressed by the invention

25 The application itself sets out several problems that the invention seeks to address. One problem addressed by the invention is that existing methods for keeping a player engaged in a game are insular to the game. An object of the invention is therefore, "to bridge the gap between the online environment and the (real) outside world" (page 1, lines 12-13). Another problem is that, "in the development of on-line activities such as games, a number of components need to come together, for example, game software programming, storyline creation, character creation and development, and accompanying music score composition. Bringing such components and/or the providers/suppliers of such components together effectively can be an arduous task" (page 1, lines 15-19). A further object of the invention is "to provide a system which seeks to improve the mechanisms for interconnecting the on-line and real commerce environments" (page 1, lines 21-22).

How the invention works

26 Mr Fanus addressed me at some length about how the invention works. His explanations were consistent with the way I understand the invention to work from my reading of the application. The features of the platform and system bring together a user, a developer and a supplier, for their mutual commercial benefit. Each of the user, developer and supplier is provided with a respective interface. Through the developer interface, the developer can build virtual activities (such as games) in which the user participates. The supplier uses the supplier interface to provide content or goods or services to be included or promoted in the virtual activities for the user. The user interface allows the user to participate in the activities built by the developer, and thereby interact in some way with the content, goods or services provided by the supplier.

The advantages of the invention

27 The description sets out many advantages of the invention. For example, page 3, line 26 – page 4, line 4 explains that:

> *The platform tool serves the purpose of integrating high street, local/domestic, regional, national and international suppliers and merchants, the means and method for partnering, providing and distributing goods, services, products and solutions; while providing developer(s) with a new source of generating revenue, creating business partnerships and eco-systems with suppliers to sell and provide real world goods in games and app environments while remain agnostic to every users preference and choices, across for example, game and business genres and sectors.*

28 Mr Fanus explained numerous additional advantages of the invention at the hearing. For example, Mr Fanus said the invention provides an environment to allow both social and economic activity, creating a virtual marketplace that is more efficient than, or reduces the "friction" found in, a physical marketplace. Mr Fanus said this is because the virtual marketplace can include many more people, and it can be accessed from anywhere. Mr Fanus also explained that, from an economic perspective, the invention allows not just developers or suppliers to make money, it also allows the end users to make money, for example by receiving and sharing the rewards mentioned in the description. Mr Fanus stated that the invention also gives people an ability to transform advertising in such a way that it leverages value for the end user and the person creating the advertising. Mr Fanus pointed to another advantage in that by harnessing a user's preferences or choices or location, the invention may tailor the opportunities provided to that user. I have no reason to doubt Mr Fanus' explanations of these additional advantages of the invention, so I take them at face value. I accept they are indeed advantages of the invention.

What is the contribution in this case?

29 At the hearing I set out the examiner's assessment of the contribution for the benefit of Mr Fanus. I explained that in the examiner's view:

> *any contribution is considered to lie in a platform for commerce which provides a virtual environment for a user in which content from outside of the virtual environment is supplied by a supplier and promoted to the user through virtual activities built by a developer.*

30 From the submissions Mr Fanus made at the hearing, I did not understand him to be offering any specific alternative formulation of the contribution. However, his attorney's letter of 1 October 2020 states that he believes the examiner has incorrectly identified the contribution. In particular, Mr Fanus says:

> *The examiner has failed to recognize the enhancement beyond online shopping and online commerce that the functions of the Xrosp utility and platform provides … The platform is essentially a utility which sets the standard for a new protocol, which outlines an enhancement, that can be harnessed crossed sectors of healthcare, entertainment, news and media, retail and manufacturing…*

31 Mr Fanus reiterated these points at the hearing, but I do not accept that the examiner has failed to recognise the enhancement (i.e. contribution) made by the invention. As I understand it, the examiner has not identified the contribution as being merely online shopping or online commerce. As I have already said, I accept the invention is widely applicable in many sectors. In my view, the examiner has identified what it is he thinks the "platform" (which is synonymous with the words "protocol" or "utility") really adds to human knowledge, as a matter of substance, having regard to the problem it addresses, the way in which it works and the advantages it has.

32 In my view, considering all the factors I have discussed above, the contribution made by the invention was correctly identified by the examiner. The contribution is a platform for commerce which provides a virtual environment for a user in which content, goods or services from outside of the virtual environment is supplied by a supplier and promoted to the user through virtual activities built by a developer.

Steps 3 and 4 – ask whether the contribution falls solely within excluded matter and check if the contribution is technical in nature

33 I shall consider steps 3 and 4 together.

34 At the hearing, I explained to Mr Fanus that the examiner believes the contribution falls solely within the business method and computer program exclusions. I explained the examiner's reasoning is that the contribution is a platform for commerce which allows suppliers to promote products and services to users in a virtual environment through virtual activities built by a developer. The platform brings together suppliers and developers, giving suppliers an opportunity to promote their products and services in a virtual environment, and providing developers a new source of revenue and the opportunity to build business partnerships with suppliers.

35 I explained to Mr Fanus that, for a valid patent to be granted in this case, he must show that the invention provides a technical contribution over and above it being a method of doing business implemented by a program for a computer. In doing so, I explained that the UK courts have interpreted the business method exclusion broadly. This means the business method exclusion is not limited to the buying and selling of goods or services for example. It also encompasses the administrative side of doing business, trading, and all other things that go along with business being done. I also explained that if, in the end, all his invention does is to provide a better method of doing business, and there is no more to it, then it is still excluded as a method of doing business as such.

36 At the hearing I invited Mr Fanus to explain to me why it is he thinks the invention is not a method of doing business. Mr Fanus responded by saying that, "in every technology or technological application there is a business method within it". He also said that, "you could not find a computer application that does not present a business method". By this, I understood Mr Fanus to be making a general point that any invention may have a business-related or commercial purpose. While I agree with Mr Fanus about this general point, unfortunately that is not the issue to be resolved. The objection is that this claimed invention is, in substance, no more than a method of doing business and a program for a computer.

37 It was very clear to me from the many and varied submissions Mr Fanus made at the hearing that he firmly believes his invention is more than a business method because it is, fundamentally, “technology”. For example, Mr Fanus stated his invention is “a technology within networking design itself”, and that “it is within itself a network”. Mr Fanus said the invention was an interface that not only permits commerce, it permits connection, facilitates actions, conditions, and commands between a computer and an end user. Mr Fanus said that it would be clear to a software developer that the features and functions of the platform he has described in his application (its “feature list”) mean it is, for example, “back-end technology”. He also said that a software developer would see the information provided in the application as giving “the technical capabilities of the platform”. Mr Fanus went on to emphasise that the digital marketplace the platform creates is, in comparison to a physical marketplace, completely “online”. This led Mr Fanus to assert that what he has designed is “technology that is not physical, it’s purely digital”. Mr Fanus pointed out that his invention relies on nodes and that “nodes are a technology, they are a very technical term”. Nodes, as Mr Fanus explained, are “a core part of that network” and “a number of nodes would operate together to create a network”. Mr Fanus also referred me to many of the features and functions found on pages 6-9 of the application including: push notifications, sign-in, accounts, profiles, preferences, proof of loyalty, the different modes, dashboards, partnerships and ecosystems.

38 I have considered all these arguments very carefully, but I regret that none of them persuade me that the invention reveals a relevant technical contribution over and above a method of doing business and the running of a computer program. For example, the computers, nodes, and network required to implement the invention are entirely conventional, so their use cannot confer a technical contribution in this case. In my view, all the features and functions of the platform and system described in the application are wholly business or administrative in nature, or simply those of conventional computer and networks.

39 It was also very clear to me that Mr Fanus sees his invention as being a distinct improvement on what has gone before. For example, Mr Fanus invited me “not to see this as a business method but a technology that is practical”. I have no reason to doubt that the invention has genuinely useful and practical effects that mean it improves on the known physical marketplaces that Mr Fanus spoke about at the hearing. Unfortunately, in order to satisfy the law and overcome exclusion under section 1(2) of the act, a computer-implemented invention must produce more than just a practical effect to be patentable; it must provide a relevant technical effect showing it makes a contribution to the known art that is technical in nature.

40 In my view, the present invention fails to reveal the necessary technical contribution. The contribution made by the invention is a platform for facilitating commerce. By providing respective interfaces, the platform brings together a user, a developer, and a supplier for mutual commercial benefit. The supplier provides content, goods and services for the developer to use in creating activities that promote the content, goods and services to the user. All the advantages of the invention that I discussed earlier are, in my view, purely business-related or administrative advantages. There is no doubt in my mind that, as a matter of substance, the platform and system of claims 1, 5 and 10 and as set out in the description is nothing more than a method of

doing business as such and/or a program for a computer as such. In my view, all the dependent claims are also so excluded.

41 I note that Mr Fanus did not make any arguments concerning the signposts at the hearing. In fact, no arguments concerning the signposts have been made during the prosecution of this application prior to the hearing. For completeness, I will consider the signposts briefly. The only process that the invention might carry on 'outside' a computer (or network of computers) is purely a method of doing business which is not technical in nature. Moreover, there is no relevant technical effect on this process. Hence, the first signpost is not relevant. There is no suggestion that the computers, nodes or network used to implement the invention are anything other than conventional. There is no suggestion the invention provides a better computer (or network) or any internal technical effect upon the operation of a computer (or a network). For these reasons, the second, third and fourth signposts do not assist the applicants. In my view, the problems addressed by the invention are essentially business or administrative problems. Even if these problems are solved, the way the invention works is to provide purely business or administrative solutions to them. The fifth signpost does not point to allowability in this case. I find nothing in my application of the signposts that changes my conclusion that the invention is excluded as a program for a computer as such.

42 Lastly, I will add that in my opinion the invention is not excluded as a method of playing a game. While I have no doubt that the invention may be implemented as a game, I am satisfied that claims 1, 5 and 10 do not define features relating to the playing of a game as such.

Decision

43 I find that claims 1-11 are excluded from patent protection under section 1(2)(c) of the act because they relate to a method of doing business as such and/or a program for a computer as such. I therefore refuse this application under section 18(3).

Appeal

44 Any appeal must be lodged within 28 days after the date of this decision.

J Pullen

Deputy Director, acting for the Comptroller