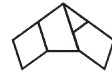


PATENTING SOFTWARE AND BUSINESS METHODS IN EUROPE?



BARDEHLE
PAGENBERG
DOST
ALTENBURG
GEISSLER

Rudolf Teschemacher and Hans Wegner examine a recent important decision of the European Patent Office.

The patentability of inventions relating to software and business methods has been the subject of a long and controversial debate throughout Europe. Due to the complicated and often contradicting case law, it is difficult for US applicants to assess the chances for obtaining patent protection for an invention in this field. Rather than arguing novelty and non-obviousness, many discussions focus on the issue of a “technical character” or a “technical contribution” of an invention to be eligible for patent protection.

This article discusses a recent decision of the European Patent Office (EPO), which reflects the standards applied to assess the patentability of patent applications relating to software and business methods.

GENERAL BACKGROUND

Initially, software was to be protected by copyright. For example the German copyright statute was amended in 1993 to include specific provisions for software. According to § 69a of the copyright statute, any piece of software is protected against copying, independently of the form of its presentation (program language, flow chart, program listing etc.). The only requirement is that the software is “individually created” (meaning in essence not being copied itself), regardless of any qualitative or other criteria.

However, the great deficiency of copyright protection for software is that the concepts and fundamental ideas underlying the programmed software code cannot be protected by copyright, which protects the form, not the idea. This is the reason why patents are more attractive for protecting the intellectual property embodied in the software.

The basic provisions which govern access to patent protection under the European Patent Convention (EPC) read as follows:

1. European patents shall be granted for any inventions which are susceptible of industrial application, which are new and which involve an inventive step.

2. The following in particular shall not be regarded as inventions within the meaning of paragraph 1:
 - a. discoveries, scientific theories and mathematical methods;
 - b. aesthetic creations;
 - c. schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers;
 - d. presentations of information.
3. The provisions of paragraph 2 shall exclude patentability of the subject-matter or activities referred to in that provision only to the extent to which a European patent application or European patent relates to such subject-matter or activities as such.

Identical provisions can be found in the harmonized national patent statutes of the member states of the EPC governing access to national patents.

Clearly, the meaning of the words “as such” and thereby the range of the exclusion of programs and business methods is not easy to understand based on the above provisions. However, a recent decision by a Technical Board of Appeal of the EPO brings clarification on how this provision is applied, i.e. how patent applications relating to software and / or business methods are examined under the European Patent Convention (EPC). As will be apparent from the decision, an invention concerning software and / or a business method must not only have a technical character to be eligible for patent protection, it must also solve a technical problem in a non-obvious manner. Only if both conditions are met, a patent will be granted.

In its decision T 1242/04, the Technical Board of Appeal 3.5.01 (Electricity) decided on an appeal against the refusal of an application for a system and method for providing product specific data in a service station as it may be used in the maintenance of motor vehicles.

The decision may influence future practice of the EPO in examining subject matter with non-technical features, in particular relating to business methods.



**Rudolf
Teschemacher**



Hans Wegner

DECLARATION OF NO-SEARCH

In EPO grant proceedings, drawing up the search report is a separate stage before substantive examination. Since 2002, it is the policy of the EPO not to establish a search report if the search examiner is of the opinion that there is no technical problem which might have required an inventive step for it to be overcome. As a rule, this practice is followed if, according to the examiner, the application relates to a business method.

The Board criticises this practice reminding the Office that under Rule 45 EPC the decisive criterion for a declaration of no-search is whether or not it is possible to carry out a meaningful search considering any deficiencies of the application. It is not sufficient that the examiner is of the opinion that the result of the search will not be relevant to the subsequent substantive examination.

TECHNICAL CHARACTER

In assessing whether the claimed subject matter has technical character and is, therefore, not excluded from patent protection, the Board states that the apparatus claims imply the presence of physical features and thus the technical character. As to the process claims, the Board concludes from the presence of a central database and an archiving memory that a computer has to be used. Thus, also the process claim involves the application of technical means.

EXAMINATION OF INVENTIVE STEP WITHOUT SEARCH

Although no European search report had been established and no additional search had been carried out, the Board proceeded in examining inventive step. The Board took the position that an objection to lack of inventive step may be raised without citing a document if it is based on notorious or uncontested common general knowledge.

APPLYING THE PROBLEM AND SOLUTION APPROACH

The applicant saw the technical contribution of the claimed-subject-matter in safeguarding the functioning and the quality of the product during its useful life.

The Board did not regard this as a problem solved by the invention since the data stored by the system did not have any direct influence on the properties of the product. Whereas the problem of providing data specific to the product for comparing its actual condition with the reference condition was a mere administrative problem, its solution was implemented by technical means.

Therefore, this was a technical problem. Considering the technical means identified in the features of the claims, the Board concluded that the problem was solved using elements of client-server technique which had not been contested to have been known before the priority date. Therefore, there was no inventive step.

It remains to be seen whether the EPO will change its practice not to establish a European search report for applications considered by the examiner to be directed to business methods or other non-technical subject-matter. This practice does not only fail to render the service for which the applicant has paid, it may also impede further prosecution if the applicant remedies the deficiency or succeeds in convincing the Examining Division or the Board of Appeal that the objection was not justified. However, the applicant can hardly force the EPO to establish a search report since the Search Divisions are not among the departments rendering decisions subject to appeal. ■

About the authors

Hans Wegner, Dr. rer. nat. (Physics), partner with the IP law firm BARDEHLE PAGENBERG in Munich, is a German and European Patent Attorney with a practice focus on the prosecution of European and German patents. He is regularly representing clients also in patent infringement proceedings.

www.bardehle.com

Rudolf Teschemacher, Dr. iur., formerly legally qualified member of the EPO's Enlarged Board of Appeal, the highest judicial body of the EPO, and Chairman of Technical Board of Appeal 3.3.7 (Chemistry). He joined BARDEHLE PAGENBERG in 2006 as a special consultant.