

PATENTS ACT 1977

IN THE MATTER OF GB Patent
Application No 0030707.4 in the
name of Accucard Limited

DECISION

Introduction

- 1 Patent Application No GB 0030707.4, entitled “Personalised financial products and computer implemented management system”, was filed on 15 December 2000 and published on 6 March 2002 as GB 2366412.
- 2 A combined search and examination report under Sections 17 and 18(3) was issued on 20 November 2001 in which the examiner reported that the application was excluded from patentability by section 1(2)(c) because the claims related to a method of doing business. The examiner also raised novelty and inventive step objections on the basis of documents that were cited on the search report, and common general knowledge in the art.
- 3 The applicants responded to the first examination report with amendments to the claims and observations. However the examiner maintained his objection that the application was excluded, deferring consideration of the novelty and inventive step objections until the matter of patentability had been resolved.
- 4 On 31 July 2002 an informal interview was held between examiners Steven Gross and Mike Prescott of the Patent Office, Kate Griffiths-Lambeth & David Gunn of Accucard Limited, and Jonathan Exell of Elkingon & Fife (the applicant’s representative) at which the applicants submitted further amendments and observations. However the examiner maintained that the claims (as amended) related to a method of doing business, and/or a computer program and it was subsequently agreed that further correspondence or discussion was unlikely to resolve the matter of patentability.
- 5 The applicants requested a hearing to consider the issue of patentability which they subsequently withdrew, requesting instead a decision to be made based on the papers on file.

The application

- 6 The application relates to a computer-implemented method for offering personalised financial products (e.g. credit cards, loans or mortgages) over the World Wide Web. A user interface is provided which includes a number of interdependent controls, each corresponding to a cost-benefit parameter relating to the product (e.g. APR or annual fee). The minimum and maximum possible parameter values, and the way in which changing one parameter has a knock-on effect on another parameter, are determined

based on the expected profitability of the customer to the product provider. Within these limitations, the customer can set the control settings to adjust the characteristics of the product to meet his needs, being assured that any combination he chooses is acceptable to the provider. The customer can then accept the financial product of his choosing using the user interface, and the personalised financial product is duly created.

- 7 The claims in their latest form (as filed on 31 July 2002) include independent claims 1, 8 & 10, and dependent claims 2-7, 9, and 11-16.

The independent claims read as follows:

1. A computer-implemented method of offering a personalised financial product comprising the steps of:
 - (a) obtaining data from a user;
 - (b) determining profitability characteristics of the user in dependence on the obtained data;
 - (c) offering a financial product from a computer system via a user interface to the user, the financial product having a plurality of cost-benefit parameters, the user interface linking the cost-benefit parameters, the inter-relationship of the parameters being determined in dependence on the profitability characteristics of the user, wherein the parameters correspond to controls on the user interface having settings which are changeable by the user, a change to one parameter control having a corresponding effect on one or more of the other control settings of linked parameters determined by the computer system using the inter-relationship;
 - (d) receiving acceptance of the financial product from the user via the user interface; and,
 - (e) creating a financial product for the user, the product having characteristics determined in dependence on the parameter controls accepted by the user.

8. A computer program comprising computer program code means for performing all the steps of any of claims 1 to 7 when said program is run on a computer.

10. A computer implemented transaction system for the offer and management of financial products, comprising a server arranged to offer customisable financial products to users, to determine profitability characteristics of the user in dependence on obtained user details and generate a user interface having a plurality of inter-related cost-benefit parameter controls changeable by the user, the inter-relationship of the parameters being determined in dependence on the profitability characteristics of the user, wherein the parameter control settings are changeable by the user via the user interface, a change to one parameter control having a corresponding effect on one or more of the other parameter control settings determined by the inter-relationship, the server being arranged to receive an acceptance of the financial product from the user, and initiate the creation of a financial product for the user, the product having characteristics determined in dependence on the parameter control settings.

The law

- 8 The examiner has maintained that the application is excluded from patentability under Section 1(2)(c) of the Act, as relating to a method for doing business, and/or a program for a computer as such. 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)
(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 purpose of this Act only to the extent that a patent or application for a patent relates to that thing as such.”

- 9 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, to which they correspond. I must therefore also have regard to the decisions of the European Boards of Appeal that have been issued under this Article in deciding whether the present application is patentable.

Interpretation

- 10 In his letter of 30 July 2002 Mr Exell referred to the Patent Office Practice Notice “Patents Act 1977: interpreting section 1(2)” issued in April 2002 as being relevant to the current application. I am in complete agreement that the approach I must adopt in deciding whether the present application is patentable is as outlined in that Practice Notice, which is that even if an invention relates to an excluded field, it will not be refused as being unpatentable *if it provides a technical contribution*.
- 11 This interpretation follows the decision in *Fujitsu Limited’s Application* [1997] RPC 608, in which Aldous LJ said 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*. 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.”

- 12 This approach is consistent with the decision of the EPO Board of Appeal in *Sohei’s Application* T769/92 to which Mr Exell also referred in his correspondence. In that decision the Board stated:

“a technical invention could not lose its technical character because it was used

for a non-technical purpose, like for instance, financial management”.

- 13 It is therefore incumbent upon me to determine whether or not such a technical contribution exists for this application.

Argument

- 14 What constitutes a “technical contribution” has been the subject of a good deal of argument before both the UK Courts and the Boards of Appeal of the EPO. That case law suggests it can result from:

the problem underlying, and solved by, the claimed invention;

the means, that is the technical features, constituting the solution of the underlying problem;

the effects achieved in the solution of the underlying problem and/or

the need for technical considerations to arrive at the computer implemented invention as claimed.

- 15 These, I think, break down into two categories; the nature of the problem to be solved and the way the solution is achieved.

The problem to be solved

- 16 Mr Exell stated that the application was concerned with solving a “technical” problem, namely to offer a product in which characteristics could be dynamically changed by an applicant with the effect being immediately apparent. In addition, it was desired that changes be acceptable to the product provider without having to refer the application back for approval after each proposed change. He argued that when selling a financial product to a customer in the conventional way (e.g. using a financial advisor), it would be prohibitively time consuming and costly to give customers the flexibility to vary product characteristics, since several rounds of negotiation would probably be needed before reaching final approval of the product.

- 17 I am not persuaded that the problem addressed by this application is a technical one. Stripped to its bare essentials, the problem is to provide a negotiation process (albeit an automated one) within the bounds of acceptable parameters. As such, it is a business administration problem, and thus - by definition - not a “technical” problem.

The proposed solution

- 18 Mr Exell’s view of the problem to be overcome is consistent with the description which identifies the problem with existing methods of buying financial products as the lack of flexibility available to the customer to personalise a product or service. The invention claims to provide a new tool for increasing that flexibility. Mr Exell submitted that the solution to this problem has a “technical effect” in the form of a new and inventive method/computer system. In arguing this point, Mr Exell attempted to draw a

distinction on the facts between the present application and those existing on *Gale's Application* [1991] RPC 305 , *Fujitsu Limited's Application* [1997] RPC 618 and a number of *Dell* applications which were refused in the Office (unreported Office decisions O/432/01 and O/177/02). In all these cases it was found that production of a system that merely automated what was previously done manually did not provide a technical contribution.

- 19 In contrast, Mr Exell argued, the computer system of the present invention achieves something that could not have been performed effectively in a manual operation: it does not simply mimic what was previously done manually, since no such “personalisable” financial products had previously been offered. I do not agree with Mr Exell.
- 20 In the official letter issued following the informal meeting held to discuss this application, the examiner referred to the process of applying for motor insurance. I think that merits further consideration here. That process can be broken down into a series of steps comprising:
- a) obtaining customer information;
 - b) assessing customer risk (eg using customer's post code, annual mileage, prior convictions and claims etc);
 - c) providing a quote (eg premium to be paid, excess to be applied);
 - d) acceptance by the customer and
 - e) provision of cover and the certificate.
- 21 I consider these to be directly analogous to the computer implemented steps recited in the present independent claims. Moreover, the conventional application process allows the purchaser to adjust the quote by modifying some of the details at step c). For example a lower premium is offered if he is willing to pay an increased excess, to pay in full rather than by installments and the like. Setting aside the issue of whether such application processes were already provided on-line at the filing date of the application, I conclude that the independent claims define a process comprising a series of steps which are the same as those conducted in a traditional face to face or telephone application process. In short, the independent claims define a method and system for automating what was previously done manually.
- 22 Whilst automation may make it easier and quicker for the purchaser to obtain a bespoke product, these are exactly the sorts of benefits one would expect to gain through automation. Aldous LJ said in his decision in *Fujitsu* at page 618 :
- “The fact that a patent application provides a new tool does not solve the question of whether the application consists of a program for a computer as such or whether it is a program for a computer with a technical contribution”.
- 23 At this point it is worth drawing attention to a difference in approach on this point between the UK courts and the EPO Board of Appeal in *Pension Benefit Systems Partnership's Application* T0931/95 (“Pension Benefits”). In its decision on that case, the Board drew a distinction between the claims directed to the method of administering a pension scheme (which it deemed to be excluded) and the apparatus for carrying out that method (which it deemed not to be excluded). Such an approach runs counter to

the long established principle applied by the UK courts whereby substance should prevail over form. This divergence has been considered by the Comptroller's Hearing Officers in a number of recent cases including *Hutchin's Application* (Office decision O/209/01) and the *Dell* applications referred to previously, all of which were drawn to the present applicant's attention. In all those cases the Hearing Officer found that he was bound to follow the approach of the UK courts when faced with this divergence. I am obliged to do the same.

- 24 Thus in the eyes of the UK courts, and following the decision in *Fujitsu*, automation of what was previously done manually is not necessarily sufficient for an invention to be said to provide a technical contribution. Something more is needed.
- 25 Although this is not brought out by the independent claims, the computer system described and claimed in the dependent claims comprises a World Wide Web site hosted by a server, and the server is connected to a database of parameter permutations that are used to generate the user interface. In the absence of any indication to the contrary in the application, I can only assume that these elements are entirely conventional and in themselves do not provide the required technical contribution.
- 26 Mr Exell has said that the invention provides a "technical effect" through a new and inventive method/computer system. I have concluded above that the hardware is conventional. But what of the user interface? Could that provide the technical contribution? I do not believe so. The description refers to a "standard interdependency formula" being used to generate the user interface. It would seem to me that, once more, this aspect of the invention is no more than the automation of what was already known and that this does not provide a technical contribution.
- 27 Following the above approach, the case law (and *Sohei* in particular) suggests that the need for technical considerations to be taken into account to arrive at the computer implemented invention claimed can provide a technical contribution. In my view automating the process previously done manually would be a matter of conventional programming and in itself this automation does not provide the required technical contribution.
- 28 Thus I do not consider any technical contribution to result from the proposed solution to the identified problem.

The dependent claims

- 29 Mr Exell has drawn attention specifically to the features brought out by dependent claims 6 and 15, the essential parts of which read as follows:
6. A method according to any preceding claim, in which the inter-relationship of parameters is selected from a database of sets of inter-relationship parameters, each set being predetermined for users providing data fitting a predetermined range.
15. A computer implemented transaction system according to any of claims 12 to 14, further comprising a user interface downloadable onto a user terminal, the

user interface system being operative to accept parameter permutations dependent on the inter-relationship on the server [...].

- 30 Mr Exell argued that claim 6 addresses the problem of reducing the complexity of the calculation, and thus the processing time, by using stored inter-relationship parameters that have been calculated for users fitting a certain profile. He submitted that this is not merely a business method step. I agree that the problem addressed by this claim is one of computer processing, rather than one of business. However, that is not the same as saying that this claim provides a *technical contribution*.
- 31 On this point I am once more drawn to the example of purchasing motor insurance. In such transactions it is commonplace for customer details to be categorised in precisely the way specified in claim 6 to reduce the number of possibilities in an already complex calculation. For example drivers are categorised by age (under 25, over 65, male, female), vehicles are categorised by insurance group etc. I conclude that the way in which this problem is tackled is, again, entirely conventional for this sort of process or transaction.
- 32 Turning to claim 15, Mr Exell argued that this has a “technical effect” as it reduces communication overheads by downloading the user interface to the user terminal, but provides security by only (separately) transmitting those parameter permutations that are relevant to the user. Again, I agree that this is a “technical” result, but again I do not feel that this provides any *technical contribution*, since again, these were known solutions at the filing date of this application.

Decision

- 33 I have found that the invention as claimed in this application is no more than the application of known technology to a business administration problem, and that it fails to provide any technical contribution. I therefore find that it is excluded from patentability as a method for doing business and a program for a computer as such. Although consideration has been focussed on the independent claims (and dependent claims 6 & 15), I can find nothing in the other dependent claims, or indeed the rest of the specification, that would provide support for any patentable claim. Accordingly I refuse the application under section 18(3) on the grounds that the invention is excluded by Section 1(2)(c).

Novelty and inventive step

- 34 As I mentioned earlier, the examiner made some novelty and inventive step objections in respect of the originally-filed claims, but decided to defer further consideration of the cited documents in respect of the amended claims, until the issue of patentability had been resolved. Therefore should my decision be reversed on appeal, these documents (along with what was considered by the examiner to be common general knowledge in the art) will need to be revisited.

Appeal

35 Under rule 52.4 of the Civil Procedure Rules the appeal period is 14 days unless I direct a different period. I see no reason to do so in the present case and so the appeal period is 14 days from the date of this decision.

Dated this 29th day of May 2003.

A BARTLETT

Deputy Director acting for the Comptroller

THE PATENT OFFICE