



BL/O18/05

7 January 2005

**PATENTS ACT 1977**

APPLICANT                      Honda Giken Kogyo Kabushiki Kaisha

ISSUE                              Whether patent application number  
GB0203564.0 is excluded from being  
patentable under section 1(2)

HEARING OFFICER                      A Bartlett

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**DECISION**

*This decision was given orally. The attached is the transcript of the decision as approved by the hearing officer.*

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**THE PATENT OFFICE**

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Fos: 18

Conference Room 2Y32  
Concept House  
Cardiff Road  
Newport  
Gwent, NP10 8QQ

Friday, 7th January, 2005

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Before:  
MR ANDREW BARTLETT  
(Deputy Director)

(Sitting for the Comptroller-General of Patents, etc.)

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In the Matter of THE PATENTS ACT 1977, section 1(2)(c)

And

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In the Matter of THE APPLICATION No 0203564.0  
of HONDA GIKEN KOGYO KABUSHIKI KAISHA  
for Letters Patent

(Ex Partes Technical Hearing)

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Transcript of the Shorthand Notes of Harry Counsell (Wales)  
41, Llewellyn Park Drive, Morriston, Swansea, SA6 8PF  
(Tel: 01792 773001 Fax: 01792 700815 e-mail: HarryCounsellW@aol.com)  
Verbatim Reporters  
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MR CHRIS VIGARS (of Messrs Haseltine Lake & Co., Patent & Trade Mark  
Attorneys, Temple Gate House, Temple Gate, Bristol BS1 6PT), appeared  
on behalf of the Applicant

MR MATT COPE (Examiner, The Patent Office)

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DECISION

A THE DEPUTY DIRECTOR: This decision concerns application number  
GB0203564.0 in the name of Honda Giken Kogyo Kabushiki Kaisha. It started  
life as PCT Application JP01/04769 and entered the national phase on 6th June  
2001. It was published as GB2369220 on 22nd May 2002.

B Throughout the examination process the examiner reported that the invention  
defined in the claims was excluded under section 1(2)(c) as a method for doing  
business and a program for a computer. Despite numerous rounds of  
C amendment and argument the applicant failed to convince the examiner that the  
invention was patentable, and it is that issue that I am here to consider today,  
consideration of other issues having been deferred pending resolution of the  
“excluded matter” objection.

D The claims before me at the hearing were filed on 4th October 2004 and  
comprise fifteen claims in total, of which claims 1 and 11 are independent co-  
terminus system and method claims. I do not consider it necessary to recite any  
E of the claims in full for the purpose of this decision; instead I shall summarize the  
invention. The invention relates to a system for allowing a purchaser of an item  
to select a supplier, taking account not only of the bid price supplied by that  
F supplier but also on the capabilities of the supplier, which in the embodiment  
include its research and development capability, production capability and the  
like; the invention is implemented using a networked computer system which is  
programmed to allow bids to be made, to take account of various weighting  
G factors to be used in the assessment process, to select a bid and then to send  
the result of the bidding process to the various parties.

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A At the hearing Mr Vigars helpfully agreed the general principles I should apply  
in deciding whether the invention was patentable as taught by the case law from  
the Courts in this area of law. I shall summarize these as being -

- B
1. that the presence of a technical contribution makes an otherwise  
excluded invention patentable;
  2. in deciding whether an invention makes a technical contribution, I need to  
decide each case on its merits;
  - C 3. it is substance of the invention, not the form of claim that prevails in UK  
law;
  4. it is desirable that the exclusions are treated in the same way under the EPC  
and under the UK Patents Act;
  - D 5. if there is doubt, then the benefit of the doubt goes in favour of the applicants  
for the issue of excluded matter, as for other matters pre-grant;
  6. under UK law, exclusions are separate from the novelty and inventive step  
E considerations; and finally,
  7. just because the applicants have restricted the claims to business method  
aspects does not make it a business method as such.

F As I acknowledged at the hearing, the EPO Boards of Appeal (as exemplified  
in the decision in Hitachi<sup>1</sup>) have taken a different approach to assessing the  
exclusions in recent times than have the UK courts. Whilst consistency of  
application of the UK Patents Act and the EPC is of the utmost importance in  
G regard to what is and is not patentable, I am in no doubt that I must follow the  
approach of the UK courts when there is a discrepancy. Under UK law it is the  
substance of the invention that is important, and the presence of hardware in the

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<sup>1</sup>Boards of Appeal of the European Patent Office decision T 0258/03

A claims does not overcome the exclusions. Moreover any discrepancy is a matter  
of approach, and in my view has little or no bearing on what is and is not  
ultimately patentable.

B The crux of Mr Vigars' argument at the hearing was that the invention was not  
excluded as it made a technical contribution. To illustrate this he argued that he  
could formulate a claim that was devoid of business-type language, leaving a  
C system defined in terms of technical elements. He said that, in the absence of  
any prior art to demonstrate that those technical elements were known, the  
invention should be taken to be a new combination of technical features. In  
short, he said that the invention was under-pinned by a new technical system  
D that happened to be used in a business process, rather than it being a new  
business process.

I do not agree. Having read the specification in full, there is nothing to suggest  
that the hardware employed to implement the invention is anything other than  
E conventional. The inventor may well have provided a new tool for purchasing  
items over a network; but the Court of Appeal in Fujitsu<sup>2</sup> made it clear that whilst a  
computer programmed in a particular way might provide such a new tool, that is  
not necessarily sufficient for it to be said to make a technical contribution and thus  
F to be patentable.

It seems to me that what the inventors of the present invention have done is to  
realize that the purchasing process would be improved if supplier capabilities were  
G taken into account in addition to actual bid prices. That, though, seems to me to  
be automating existing manual processes. I would not expect a competent  
procurement officer to purchase items solely on the basis of cost. I would also

H <sup>2</sup> Fujitsu Limited's application [1997] RPC 608

A expect him to take into account the reputation of the suppliers and their capability  
to deliver the required quantity of items in the specified time. I know for a fact that  
it has long been standard procurement practice to review potential suppliers'  
B annual accounts to verify their financial stability. It seems to me that the invention  
provides a tool for automating that process. But, as has been found before on  
numerous occasions (notably in Fujitsu, and on the Dell<sup>3</sup> decisions) automating a  
manual process does not of itself provide a technical contribution.

C Furthermore, I can see nothing in the specific means of implementation that  
could provide that necessary technical contribution. As I have already said, the  
hardware appears to me to be conventional and, once the required business  
D process has been identified, it was relatively straightforward to implement it in a  
network-based system, albeit that the programmer or system developer would  
have had to use their technical knowledge to do so. Any novelty, it seems to me,  
must therefore result from what the invention is being used to do, from the  
E functions it is programmed to perform; and that, I am sure, is a method of doing  
business. Any contribution the invention makes is in implementing a new  
business method, i.e. taking account of factors other than the cost (such as  
F supplier reliability) when making purchasing decisions. That does not seem to me  
to be a technical contribution.

Having carefully considered all the evidence before me it is my considered  
opinion that the invention defined in the claims is a method for doing business and  
G a program for a computer as such, and is thus excluded under section 1(2)(c) of  
the Act. I have read the specification in detail and can find nothing that could form

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<sup>3</sup> Patent Office decisions published as BL O/432/01, BL O/177/02 & BL O/377/02 relating to  
application numbers GB9919949.9, GB0005904.8 and GB0127329.1 in the name of Dell USA LP  
and available from the Patent Office website at  
H <http://www.patent.gov.uk/patent/legal/decisions/index.htm>.

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the basis of a patentable claim. I therefore refuse the application under section 18(3) as being excluded by section 1(2)(c).

Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal must be lodged within 28 days.

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Approved

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A Bartlett

Hearing Officer

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