Legal Update

Software patentability ruling from the European Patent Office's Enlarged Board

Ewan Nettleton

is a senior associate solicitor in the Intellectual Property Department at Bristows. He specialises in Intellectual Property Law with an emphasis on litigation. He has an MA in Chemistry and a DPhil in Protein Chemistry and is particularly interested in matters relating to the IT and pharmaceutical industries.

ABSTRACT The circumstances in which computer software can be patented has been a topic of hot debate in recent years, with fundamental differences in how the issue is approached by patent offices around Europe. It is a matter that affects database marketers and other users whose businesses need software programs to function. Many had hoped that the referral of questions on the approach to be taken to the highest appeal board of the European Patent Office (EPO) would lead to clarity, with answers being given that national patent offices and courts would then follow. However, in a decision running to just shy of 60 pages, the EPO's Enlarged Board decided that the questions did not need answering. This article looks at what the Board said in reaching this conclusion, what it means for how patentability of such inventions is assessed, and where this leaves software developers and database marketers and other software users.

Journal of Database Marketing & Customer Strategy Management (2010) 17, 267–270.
doi:10.1057/dbm.2010.16

Keywords: software; patentability; European Patent Office; Enlarged Board of Appeal

INTRODUCTION

The 20-year-monopoly that patents provide to inventors allows them to go to court to prevent or restrain others from infringing their rights. If granted, patents afford software developers potentially much stronger protection than the other intellectual property rights protecting software, and most notably copyright. However, computer software is one of several types of subject matter that are excluded from patentability to an extent.¹

As described previously,² how and where to draw the line between what is patentable

and what is not has long been up in the air. There is no better illustration of this than the differences in approach taken by the English Courts and UK Intellectual Property Office, compared with that of the European Patent Office (EPO). The seminal English Court of Appeal decision in *Aerotel v. Telco and Macrossan's Application*³ involved a lengthy consideration of the different ways that could be used to carry out the assessment, with the Court flatly rejecting the *any hardware* approach used in recent years in the EPO. Instead, it adopted the four-stage *Aerotel* test that has since

Correspondence:
Ewan Nettleton
Bristows, 100 Victoria
Embankment, London EC4Y
0DH, UK
E-mail: ewan.nettleton@
bristows.com

been applied in the English courts and UK Intellectual Property Office.

Under the EPO approach, the mere mention of any hardware (no matter how well-known and mundane) is usually enough to get over the hurdle of patentability, although further hurdles, and most notably the requirement of inventiveness, still need to be met. Although overall the final decision on whether or not a patent should be granted would often be the same in both the United Kingdom and the EPO, there have been some notably different outcomes, and the way of deciding whether to grant a patent has been wholly different. When questions on software patentability were referred by the former EPO President, Alison Brimelow to the EPO's Enlarged Board, many thought this could be the catalyst for a change and harmonisation. However, certain foresighted commentators⁴ suggested that there was no real basis for the referral. This turned out to be the case when the EPO's Enlarged Board handed down its ruling in case *G 0003/08*,⁵ as described further below.

THE QUESTIONS ASKED

The questions that the then president of the EPO, Alison Brimelow, raised are as follows:

1. Can a computer program only be excluded as a computer program as such if it is explicitly claimed as a computer program?
2. (a) Can a claim in the area of computer programs avoid exclusion ... merely by explicitly mentioning the use of a computer or a computer-readable data storage medium?
(b) If question 2(a) is answered in the negative, is a further technical effect necessary to avoid exclusion, said effect going beyond those effects inherent in the use of a computer or data storage medium to respectively execute or store a computer program?

3. (a) Must a claimed feature cause a technical effect on a physical entity in the real world in order to contribute to the technical character of the claim?
(b) If question 3(a) is answered in the positive, is it sufficient that the physical entity be an unspecified computer?
(c) If question 3(a) is answered in the negative, can features contribute to the technical character of the claim if the only effects to which they contribute are independent of any particular hardware that may be used?
4. (a) Does the activity of programming a computer necessarily involve technical considerations?
(b) If question 4(a) is answered in the positive, do all features resulting from programming thus contribute to the technical character of a claim?
(c) If question 4(a) is answered in the negative, can features resulting from programming contribute to the technical character of a claim only when they contribute to a further technical effect when the program is executed?

Question 2 was of particular interest because it goes to the heart of whether English *Aerotel* approach or the EPO's *any hardware* approach should be used when assessing whether an invention in the field of computer software is excluded. The questions were referred on the basis that different Appeal Boards of the EPO had given different decisions, and that this was an area of fundamental importance.

THE ENLARGED BOARD'S RULING

On 12 May 2010, the Enlarged Board handed down its long-awaited decision. After an in-depth analysis, the Enlarged Board reached the view that the referral was inadmissible. A key issue addressed in this assessment was the meaning of the undefined legal term *different decisions*, which Alison Brimelow had suggested gave a basis for the referral. While there was little

guidance available, the Enlarged Board concluded that this term was intended to mean decisions that were diverging.

The Enlarged Board then went on to consider the questions referred and cases cited by Alison Brimelow, dismissing each in turn:

Question 1: Whether a computer program can only be excluded as a computer program as such if it is explicitly claimed as a computer program? The Enlarged Board conducted a detailed consideration of the two allegedly diverging cases cited,⁶ and other significant cases on software patentability. Although it recognised a difference between the cited decisions on one issue, it suggested that no subsequent decision had followed one of the cases on that particular point. The other decision was the last in a series of logically consistent decisions and had not been challenged subsequently. Noting that 7 years had passed between the decisions, the Enlarged Board concluded the deviation was a legitimate development of the case law.

The Enlarged Board also confirmed that the present position in the EPO is that a claim can avoid exclusion merely by explicitly referring to the use of a computer or a computer-readable medium. However, this was of course qualified by the Enlarged Board noting that it must be inventive.

Question 2: Whether mere mention of using a computer or computer-readable storage medium is enough for patentability or whether a further technical effect is necessary?

The Board felt that the second question was confusing and had misinterpreted the cases cited as diverging. It gave an example of the phrase *Tigers eat meat. Meat is a word. Therefore tigers eat words*, noting this was clearly wrong, because the word *meat* is being used differently in the two premises. After considering the case law cited, the Enlarged Board again found that there was no divergence, with the correct position on the point being as set out for Question 1 above – that is, mentioning even the most

mundane hardware such as computer or a computer-readable medium in the claim will do.

Question 3: Whether a claimed feature must cause a technical effect on a physical entity in the real world, and if so, whether the physical entity can be an unspecified computer?

The Enlarged Board identified two problems with this question. First, although the question related to individual features of the claims in a patent that describe what is covered, none of the cases cited in the referral seemed to discuss individual claim features. Second, the cases⁷ said in the referral to require a physical effect on an entity in the real world *simply did not do so* in the Enlarged Board's view. Therefore, again, there was no divergence and the question was inadmissible.

Question 4: Whether computer programming necessarily involves technical considerations and related issues?

The Enlarged Board agreed with the assertions in the referral that some of the cases mentioned by Alison Brimelow considered that programming always involved technical considerations, whereas others considered programming to be a mental act. However, it suggested that there was no contradiction between these two positions. Again, therefore, there was no divergence and the question was inadmissible.

IMPLICATIONS OF THE DECISION

In deciding that there was no basis for the referral, the Enlarged Board has endorsed the EPO's current approach to the patentability of computer software, and mention of any hardware in a patent claim, no matter how mundane, will be enough to get around the computer software exclusion. This remains quite different from the tougher English *Aerotel* approach that the UK Intellectual Property Office has continued to apply since the Enlarged Board decision.⁸

It is notable that Lord Justice Jacob, the Court of Appeal judge with most experience of patent cases, has suggested previously that where the EPO approach is settled on a question of law, it should be followed by the English Courts.⁹ However, for now at least, the approaches taken in the United Kingdom and in the EPO remain diametrically opposed, and it is difficult to see how the tests currently being applied in the two jurisdictions can be reconciled with one another. Although it must be acknowledged that in many cases these differences may not affect the overall result, with software patent applications falling at a later hurdle in the EPO, this inevitably increases the uncertainties over whether patents for software innovations will be granted. Although some may think this is preferable to the adoption of a uniform approach that might have affected the availability of patents one way or the other, the uncertainty is unlikely to be welcomed by the software industry or the companies that it supplies.

REFERENCES AND NOTES

- 1 Section 1(2), Patents Act 1977 and Article 52 of the European Patent Convention (EPC). For further explanation, see the article referred to in footnote 2.
- 2 Nettleton, E. (2009) Software patenting in a state of flux. *Journal of Database Marketing and Consumer Strategy Management* 16(2): 168–174.
- 3 [2007] RPC 7.
- 4 Not least the creators of the well-respected intellectual property law blog, IPKat, <http://ipkitten.blogspot.com/>.
- 5 EBA Decision of 12 May 2010 (to be published in the Official Journal) on the referral re computer software by the EPO President under Article 112(1)(b) EPC.
- 6 Technical Board of Appeal decisions *T 424/03* and *T 1173/97* dated 23 February 2006 and 1 July 1998, respectively.
- 7 Technical Board of Appeal decisions *T 163/85* and *T 190/94* dated 14 March 1989 and 26 October 1995, respectively.
- 8 See, for example, UK IPO decision, BL O/174/10 (27 May 2010) where the UK Intellectual Property Office applied the English *Aerotel* test without any reference to G 3/08.
- 9 For example, in *Actavis v. Merck* [2008] EWCA Civ 444 (decision of Court of Appeal of 21 May 2008), Jacob LJ also concluded that the Court of Appeal should be free (but not bound) to depart from its own earlier decision if it was satisfied that the EPO Boards of Appeal have formed a settled view on a point of law that is inconsistent with that earlier decision.