

J.A.KEMP & Co

EPO Latest Developments

June 2010

Mike Nicholls

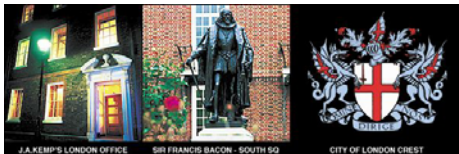
mnicholls@jakemp.com



Speaker

Mike Nicholls – partner

- MA (Oxford University) Physics (1985)
- Patent attorney since 1989
- Patents – electronics, software, mechanical
- Based London, England



J.A.KEMP & CO

Topics

- Patents relating to computer software (G3/08)
- Review of recent procedure changes
- Patents in the medical field (G1/04 and G1/07)

Patents relating to software

(Decision G3/08)

- EPC Article 52(2)
 - The following in particular shall not be regarded as inventions:
 - (a) ... mathematical methods
 - (c) schemes, rules and methods for... **doing business**, and **programs for computers**
- But for many years computer-implemented inventions allowed

Key cases over the years

- Opening the door:
- Technical effects can overcome the exclusion under Art. 52(2)
 - Vicom [T208/84](#) (1986) (algorithm allowing faster image processing)
 - Allowed because of Technical Effect, probably still allowable
 - Sohei [T769/92](#) (1994) (file structure in accounts/stock control system)
 - Narrow claims allowed because of Technical Considerations, probably not allowable now!

Key cases over the years

- The approach changed gradually to transfer the emphasis to consideration of inventive step
 - Any technical feature overcomes the exclusion under EPC Art. 52(2)
 - But only technical features count for Novelty and **Inventive Step**
 - Non-technical problem/solution not part of technical contribution

Key cases over the years

- **PBS** [T931/95](#) (2000) Running a pension system – method claims excluded, apparatus claims not excluded, but application refused as lacking technical **inventive step**
- **Comvik** [T641/00](#) (2002) Multiple identities on one SIM – method claims not excluded, but refused as lacking technical **inventive step**
- **Hitachi** [T258/03](#) (2004) Auction method – apparatus **and** method claims not excluded, but application refused as lacking technical **inventive step**

Key cases over the years

- Summarising and consolidating this approach
 - Duns Licensing [T154/04](#) (2006) Estimating sales activity – application refused as lacking technical **inventive step**
 - If you want to understand how the EPO consider software patents, look at Duns Licensing

Reference to Enlarged Board

- [G 3/08](#) referred 23 October 2008
 - Referred by President of EPO
 - This requires two Boards of Appeal to “have given different decisions”
 - The President identified various different approaches in the decisions over the years and regarded these as “different decisions”
 - Referred 4 Questions plus 5 supplementaries

Reference to Enlarged Board

- Decision issued May 2010
 - The Enlarged Board dismissed the referral as inadmissible
 - There were no “different decisions”, just a development of the law over time
 - However the existing approach (Duns Licensing) approach was discussed and approved

Reference to Enlarged Board

- Questions 1 & 2 – Form of Claims
 - is claim to a “computer program” allowable?
 - or must it be “computer program **product** storing executable code”?
 - is mention of computer or memory enough to satisfy 52(2)?
 - or must there be a “further technical effect”?

Answer to Questions 1 and 2

- Question is inadmissible, but comment:
 - A claim in the area of computer programs can avoid exclusion under Articles 52(2) (c) and (3) EPC merely by explicitly mentioning the use of a computer or computer readable storage medium
 - Program and media claims ok - but mention “for executing the method on a computer system”

Reference to Enlarged Board

- Question 3 - Must there be a “Technical Effect on a Physical Entity in the Real World” for a **feature** to contribute “technical character” to the claim?

Answer to Question 3

- Question is inadmissible, but comment:
 - Interaction with the real world is not required, but might be **sufficient**, to contribute to technical character of a claim and overcome the exclusion of Art. 52(2)

Reference to Enlarged Board

- Question 4 - Is all programming technical?
 - Do programming features contribute to “technical character”?
 - Or do they only contribute to technical character if they contribute to a further technical effect when the program is executed?

Answer to Question 4

- Question is inadmissible, but comment:
 - Programming a computer inherently involves technical **considerations** but that is not sufficient for the **claimed subject matter** to have technical **character**
 - “merely” finding a computer algorithm to carry out some procedure does not guarantee that the resulting program has “technical character”
 - For the programming to contribute “technical character” the programmer must have had “further technical considerations” in mind

Hypothetical Case Study – 1

- Prior Art:
 - computer programmed to
 - receive news;
 - identify positive stories about companies;
 - if any, automatically generate order to buy shares in that company.
 - e.g “PSP-Go is good” => buy Sony shares

Hypothetical Case Study – 2

- Invention:
 - instead of buying the shares of the successful company, sell shares of its competitor companies
 - e.g “PSP-Go is good” => sell Nintendo shares, Microsoft shares...

Hypothetical Case Study – 3

Claim:

An order generating system comprising:

- (A) means for receiving news;
- (B) processor means for performing a [specified] algorithm to identify a positive story about a first company;
- (C) processor means for generating orders to sell shares in a plurality of second companies not including the first company;
- (D) transmission means for coding and transmitting the orders.

Hypothetical Case Study – 4

Is it excluded?

An order generating system comprising:

- (A) means for receiving news;
- (B) **processor means** for performing a [specified] algorithm to identify a positive story about a first company;
- (C) **processor means** for generating orders to sell shares in a plurality of second companies not including the first company;
- (D) **transmission means** for coding and transmitting the orders.

Therefore not excluded – has technical character

Hypothetical Case Study – 5

Is it Inventive?

An order generating system comprising:

- (A) means for receiving news;
- (B) processor means for performing a [specified] algorithm to identify a positive story about a first company;
- (C) processor means for generating orders to sell shares in a plurality of second companies not including the first company;
- (D) transmission means for coding and transmitting the orders.

Hypothetical Case Study – 5

Is it Inventive?

An order generating system comprising:

- (A) means for receiving news;
- (B) processor means for performing a [specified] algorithm to identify a positive story about a first company;
- (C) processor means for generating orders to sell shares in a plurality of second companies not including the first company;
- (D) transmission means for coding and transmitting the orders.

Probably not inventive – application refused for lack of inventive step

Practical Suggestions – 1

- Drafting
 - describe and claim:
 - any novel hardware or specific hardware interactions
 - data structures & flows
 - user interfaces
 - any interactions with real world
 - any transformed data (preferably relating to something real)

Practical Suggestions – 2

- Drafting
 - Indicate Problem/Aim is technical
 - Show Technical Advantages
 - increased speed
 - more efficient use of resources
 - Describe at as low level as possible (because it will appear more technical)
 - Don't rely on type of data, e.g. financial, (unless technical, e.g. image data)
 - Show technical problem is overcome by technical solution

Practical Suggestions – 3

- Prosecution
 - Delete claims relating to business types/steps
 - Find technical differences compared to prior art
 - Negotiate with Examiners rather than appeal
 - Put forward a positive story on inventive step early

Review of recent procedure changes

Compulsory Response to Search Opinion

- Compulsory response when paying the examination fee if:
 - EP Search report on or after 1 April 2010
 - And - search report includes an opinion on patentabilityor
- Compulsory response within 1 month of Rule 161 Communication if:
 - E/PCT: EPO was ISA and/or IPEA
 - Written Opinion/IPRP from EPO

Compulsory Response to Search Opinion

- Response must be filed and complete
 - same as response to examination report
- If no response filed:
 - Application deemed withdrawn
 - Further processing available
- This is the only chance to make a voluntary amendment **by right**

New Rule 36(1)EPC

The applicant may file a divisional application relating to any pending earlier European patent application, provided that:

(a) the divisional application is filed before the expiry of a time limit of *twenty four months* from the Examining Division's *first communication* in respect of the *earliest application* for which a communication has been issued, or

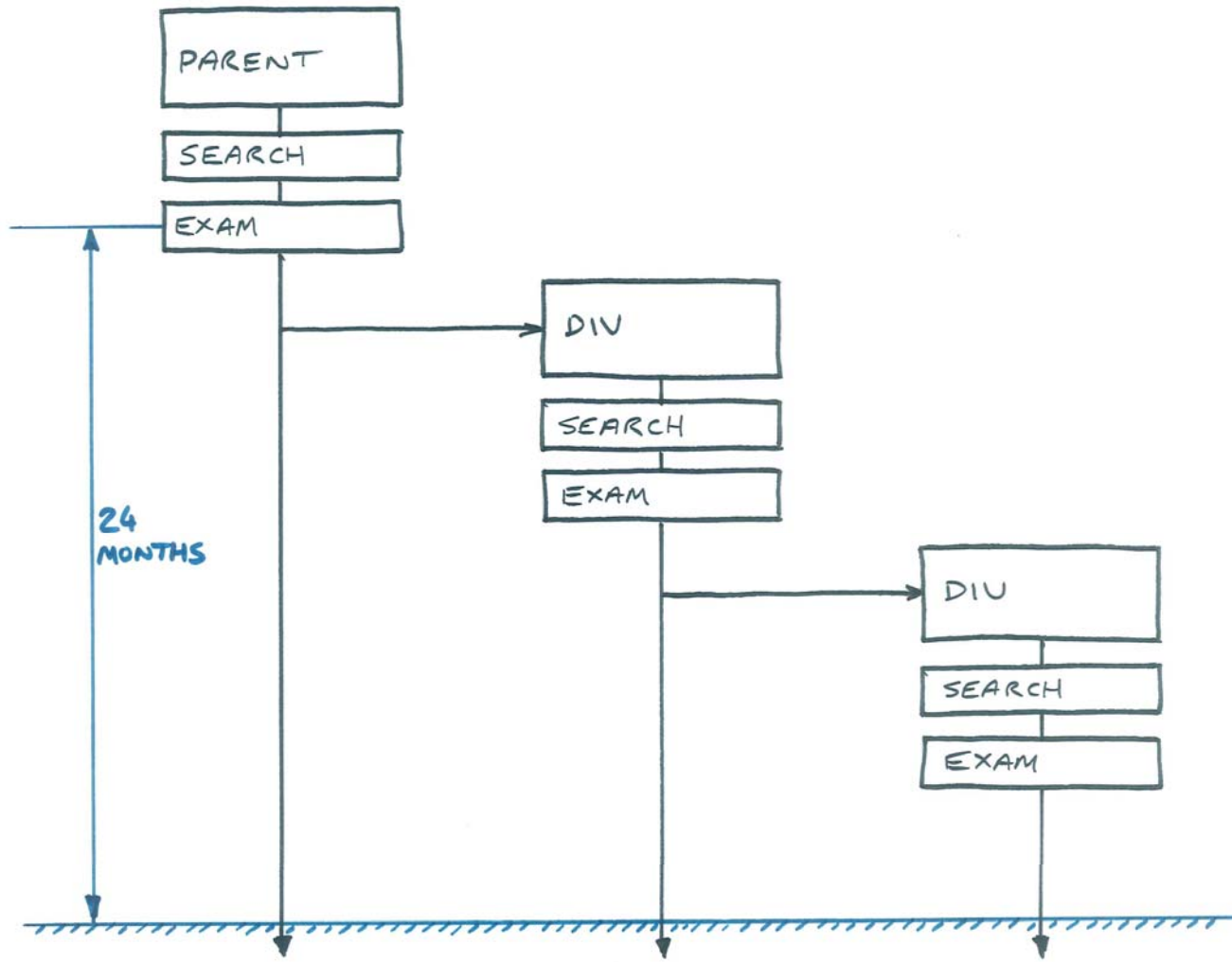
(b) the divisional application is filed before the expiry of a time limit of *twenty four months* from *any communication* in which the Examining Division has *objected* that the earlier application does not meet the requirements of Article 82, provided it was *raising that specific objection for the first time*.

Intention is Simple

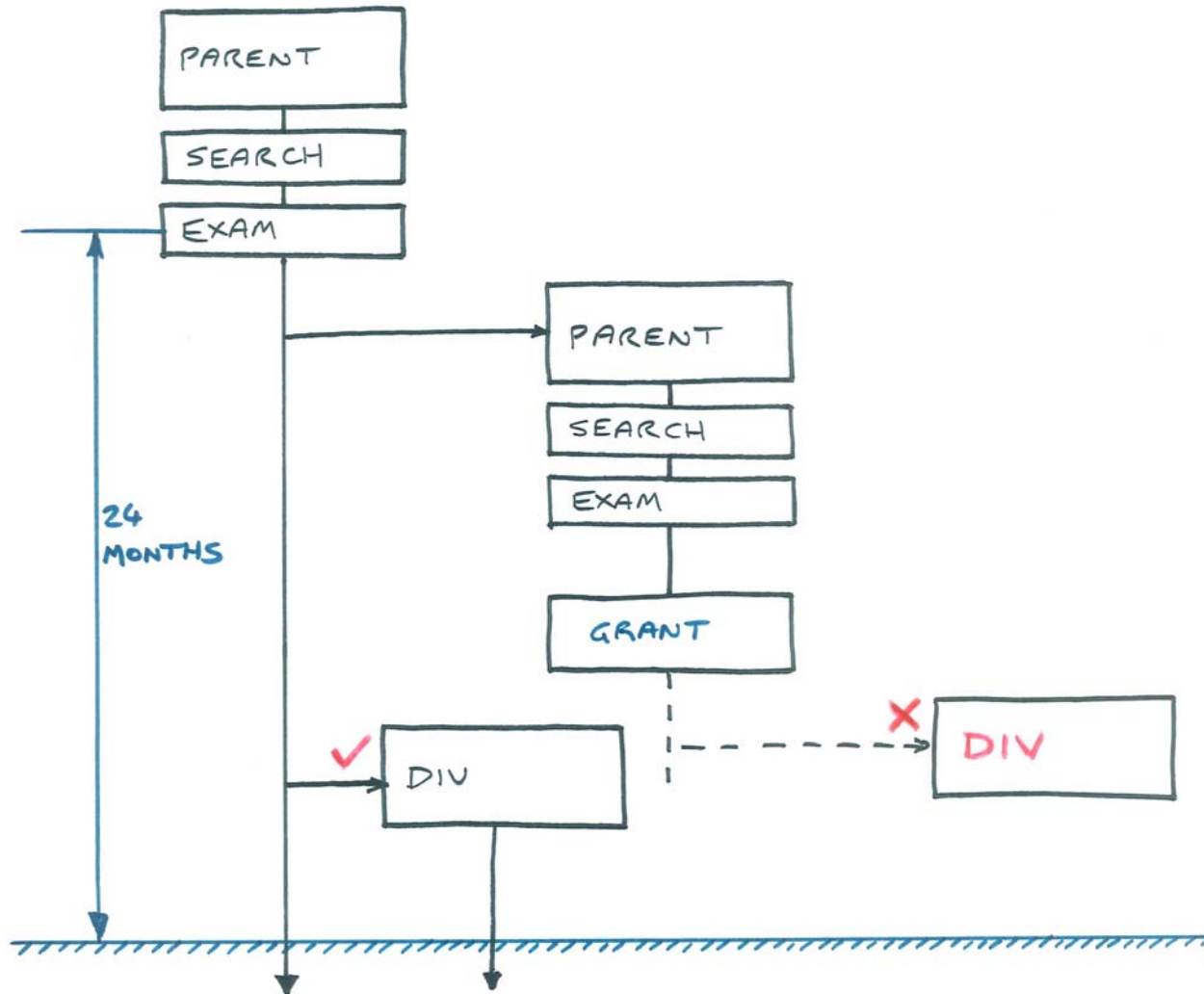
- All divisionals for family due:

24 months from
1st Examination Report
in the family

Example



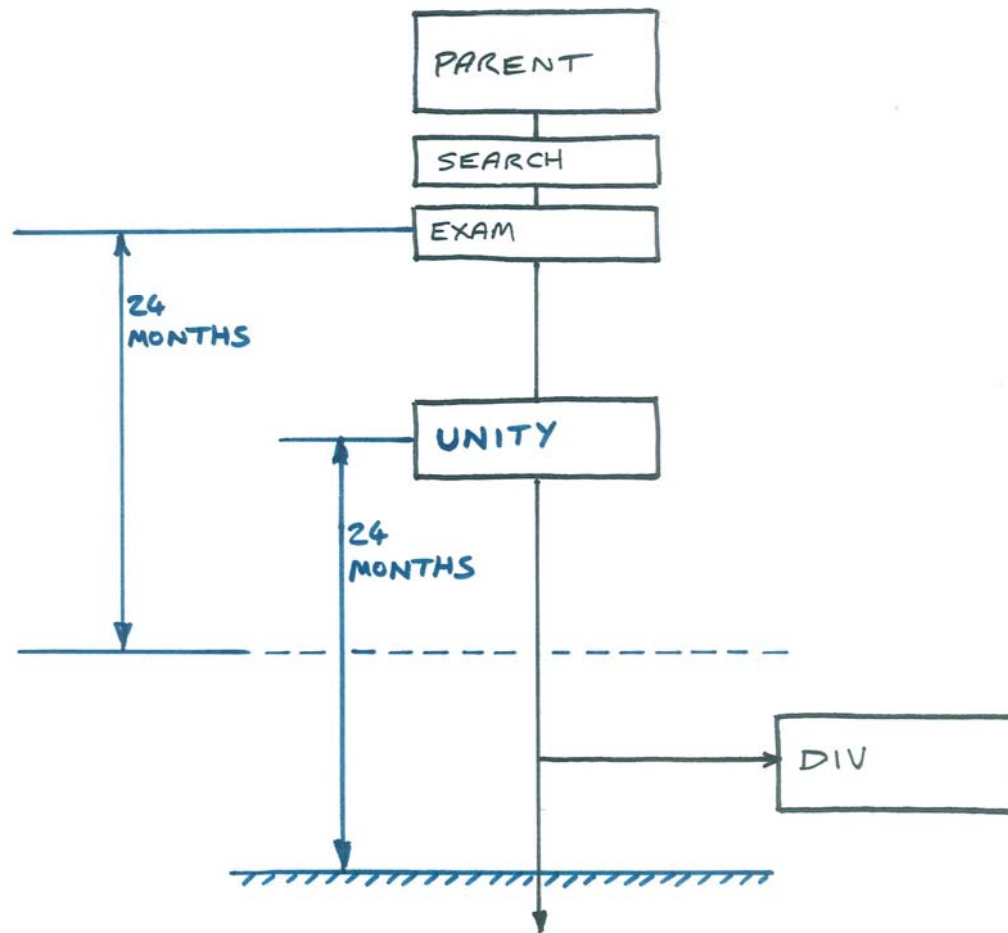
... but still before grant



Variation

- Unity raised late in procedure
 - Term extended to 24 months from 1st objection

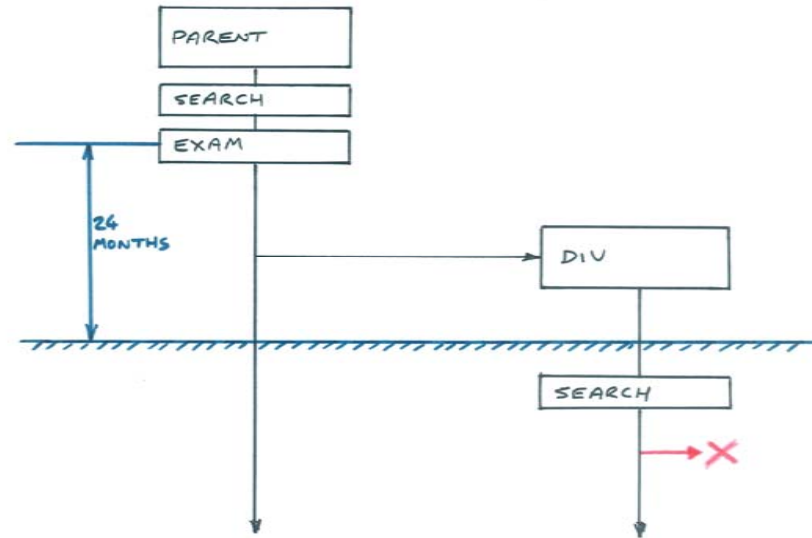
Late Raised Unity Objection



CAUTION

- No guarantee that Examiner will raise unity objection
 - Examiner may be reluctant to set new 24 month term
 - Examiner could object to number of claims under Rule 43(2) EPC
 - Examiner may not exercise discretion to allow amendments

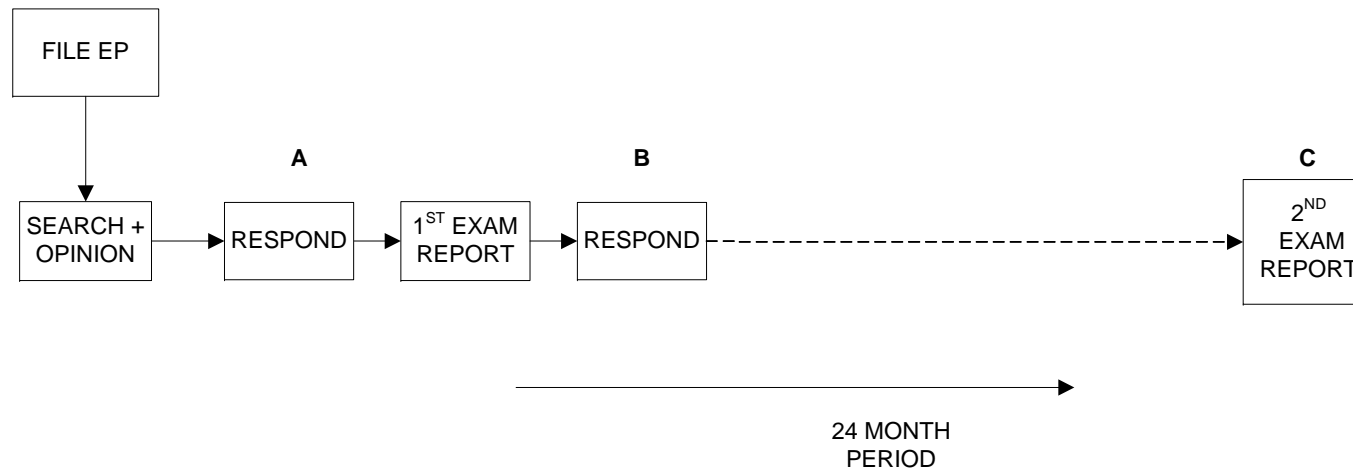
Problem – disunity in divisional



- **Remedies:**

- One divisional for each invention
- Request accelerated prosecution when filing a divisional
- Do not delete non-unitary claims until objected to

Problem – where examination is slow



- At point C there is not much flexibility because:
 - Too late to file divisional
 - Amendment may not relate to unsearched subject matter
 - Examiner can refuse or allow amendments
- So at point B request accelerated prosecution

Practical advice

- Transitional provisions
 - Terms extended to at least 1 October 2010 so check EP cases in good time before then
- Request Accelerated examination (PACE) to find out early if a divisional might be needed
- One invention per application

Review: 1 April 2009 changes

- Claims fees:
 - 210 Euro for 16th claim and above
 - 525 Euro for claim 51 onwards
- Page fees:
 - 13 Euro for each page above 36th
- Recommendations
 - Have no more than 15 claims
 - Short specifications (~~3~~ 35 pages)

Patents in the medical field (Decisions G1/04 and G1/07)

EPC Article 53

Exceptions to patentability

- European patents shall not be granted in respect of:
 - ...
 - (c) methods for treatment of the human or animal body by **surgery** or therapy and **diagnostic methods practised on the human or animal body**; this provision shall not apply to products, in particular substances or compositions, for use in any of these methods.

Decision G1/04

Diagnostic methods

- Contradictory decisions issued on what constituted a “diagnostic method”
- T385/86 (1987) – finding body temperature and pH using nuclear magnetic resonance
- T964/99 (2001) – using electric current to abstract glucose from the skin for analysis in a measurement chamber (diabetes diagnosis)

G1/04 Diagnostic methods

- [T385/86](#) (1987) – finding body temperature and pH using nuclear magnetic resonance
 - Allowed as method did not include the step of attributing the symptom (temperature or pH) to a disease
 - Also not carried out by a doctor (but by a technician)

G1/04 Diagnostic methods

- [T964/99](#) (2001) – using electric current to abstract glucose from the skin for analysis in a measurement chamber (diabetes diagnosis)
 - Method claims refused as they comprise the step of taking of a body sample **for the purpose of diagnosis**, and “such a step is to be regarded as an essential activity pertaining to diagnosis and practised on the living body”

G1/04 Diagnostic methods

- Enlarged Board decided:
 - Claims are only excluded if they:-
 - include the step of attributing the symptom to a disease
- AND
 - all claimed steps require the presence of the human or animal body
- It is irrelevant who carries out the method – e.g. a doctor or a technician

G1/04 Diagnostic methods

- Many methods useful in diagnosis are patentable
- Recommendations
 - Avoid using the word “diagnosis” in the claims
 - Avoid including the step of attributing the symptom to a disease – especially in the claims
 - Include steps not practised on the body (e.g. *in vitro*)
 - Avoid including those steps that are practised on the body (though keep in mind G1/07 below)
- Note **apparatus** and **substances** for use in diagnosis are perfectly allowable

Decision G1/07 Surgical methods

- Invention:
 - Magnetic resonance imaging of the heart or lungs by delivering Xenon (contrast agent)
 - by injection into the heart or by inhalation into the lungs, though claims just said “delivering”
 - Clearly injection into the heart is medically complex and hazardous
 - Invention is useful before surgery, also during surgery, and for assessing the effect of drugs

G1/07 Surgical methods

- Previous case law excluded methods
 - Based on **purpose** – where the maintaining of health or life was important (which would not exclude cosmetic surgery)

OR

- Based on the **nature** of the “surgical” step – e.g. is the skin penetrated or not
- Different approaches, so Board of Appeal asked Enlarged Board to consider the point

G1/07 Surgical methods

- Enlarged Board decided that:
 - It is the nature of the step which is important not the purpose, so
 - Methods are only excluded which are substantial enough to require medical skill AND which where the surgical step involves serious health risks

G1/07 Surgical methods

- Enlarged Board decided that:-
 - A claim is only excluded if it includes a step which recites **or covers** the surgical step itself (e.g. “injection” or “delivery”)
 - The claim can omit the surgical step (e.g. using wording like “pre-delivered” or “pre-implanted”) as long as the remaining steps clearly define the invention

G1/07 Surgical methods

- Recommendations
 - Methods only involving routine or trivial “surgery” (e.g. minor injections, micro-abrasion) are patentable
BUT
 - Avoid reciting the surgical step in the claim
 - Avoid suggesting that the method involves a substantial intervention on the body, a health risk, or requires medical expertise
- Note – **apparatus** and **substances** for use in surgery are perfectly allowable

Any questions?