



PATENTS ACT 1977

APPLICANT	Certificial LLC
ISSUE	Whether patent application GB 2009320.9 complies with section 1(2) of the Patents Act 1977
HEARING OFFICER	J Pullen

DECISION

- 1 Patent application GB 2009320.9, entitled “Automated continuous insurance policy tracking and endorsement management process and system”, was filed on 17 June 2020, with a priority claim from US Provisional Application 62/863525 filed 19 June 2019. The application was published as GB 2588480 A on 28 April 2021.
- 2 The search examiner declined to search the application and instead issued a report under Section 17(5)(b) of the Patent Act 1977 (“the Act”). This report included an examination opinion which outlined that the search examiner considered the claimed invention to be excluded from patentability under section 1(2) of the Act as a scheme, rule or method for doing business and a program for a computer, as such.
- 3 Substantive examination was requested on 17 August 2021 and an abbreviated examination report was issued under Section 18(3) of the Act on 18 November 2022. This report replicated the contents of the examination opinion.
- 4 Amendments were filed but the objection to excluded matter under section 1(2) was maintained by the examiner. The opportunity to be heard on the matter was offered to the applicant in the letter that accompanied the examination report of 10 August 2023. This letter also informed the applicant that the application may be forwarded to a Hearing Officer for a decision on the papers if amendments or arguments were filed and a hearing was not requested.
- 5 On 1 December 2023, further amendments and submissions were made and no request of a hearing was made. On re-examination the examiner considered that the claimed invention was still excluded from patentability. The examiner issued a letter to the applicant informing them of this and telling them that the application was to be forwarded to a Hearing Officer for a decision on the papers. The matter before me is to decide whether, or not, the invention is excluded from patentability as a scheme, rule or method for doing business, as such, and/or a program for a computer, as such.

- 6 I can confirm that I have given full consideration to all documents on file in reaching my decision.
- 7 I note that the application has not been searched. If I find the claims to be allowable it will be necessary to remit the application to the examiner to undertake the search and any necessary substantive examination of the application.

The Invention

- 8 The “background” section of the description of the application (paragraphs 2-5) reads:

“This disclosure relates to an automated insurance policy tracking and endorsement management system and process.

“Insurance verification is an essential part of business and compliance. Business partners share and amend insurance policies to protect their financial interests. Insurance compliance requirements change based on line of business, complexity, and risk of engagement. Engagements often span 3-10+ years and require ongoing insurance protection to maintain compliance. Risks associated with non-compliant insurance include financial loss, legal issues, reputational risk, negative impact to strategic goals, organizational embarrassment, internal opportunity loss, project halt and delays.

“Current insurance verification processes require the use of point-in-time documents to share insurance related details and endorsements between stakeholders. Customers are unable to quickly produce such insurance documents, which may impact their ability to close new business. Insurance agents and brokers may be unable to keep up with growing demands and employee needs to manage daily workflows. Insight into third-party requests for insurance is a challenge causing delays or the need to reissue documents more than once. Rekeying and manual extraction of insurance information is required by certificate holder management systems due to the utilization of documents.

“The end result is that the process to manage certificates of insurance (Cols) is inefficient and costly for all stakeholders involved—the requestor, the insured, and the insurance provider. Cols are point-in-time documents requiring organizations to request updated certificates on an ongoing basis. Fraudulent activity, coverage changes and cancellations make it impossible for stakeholders to maintain a proper level of compliance between updates and protect their core business.”

- 9 Paragraph 6 of the description recites:

“The subject system and process provides for real-time digital insurance verification by enabling insurance providers, insureds, and requestors to share information electronically, which can include application programming interfaces (APIs) for automated information sharing, and electronic messaging for manual sharing. This transforms legacy processes and enables the electronic sharing of insurance details and endorsements among insurance providers, insureds, and third-party requestors. It also enables instant coverage requirement comparison for requestors, automates renewals and policy updates eliminating the need to re-request information, enables transparency and streamlines workflows amongst requestors, policy holders and insurance providers, and reduces the risk of fraud, misinformation, lapses, or reductions in coverage.”

The Law

- 10 The matter to be decided is whether the claimed invention relates to excluded subject matter, and in particular whether the invention falls into the category of section 1(2)(c) of the Patents Act 1977 as a scheme, rule or method for doing business as such and/or a program for a computer as such. The relevant section of the Act is section 1(2), the most relevant provision of which is shown below with my emphasis added:

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 ... doing business, or a program for a computer;***

(d) ...;

*but the foregoing provision shall prevent anything from being treated as an invention for the purposes of this Act only to the extent that **a patent or application for a patent relates to that thing as such.***

- 11 The Court of Appeal has said that the issue of whether an invention relates to subject matter excluded by section 1(2) must be decided by answering the question of whether the invention reveals a technical contribution to the state of the art. The Court of Appeal in *Aerotel/Macrossan*¹ set out the following four-step approach to help decide the issue:

(1) Properly construe the claim;

(2) Identify the actual contribution;

(3) Ask whether it falls solely within the excluded subject matter;

(4) Check whether the actual or alleged contribution is actually technical in nature.

- 12 The operation of the approach is explained at paragraphs 40-48 of the judgment. Paragraph 43 confirms that identification of the contribution is an exercise in judgment involving the problem said to be solved, how the invention works and what its advantages are; essentially, what it is the inventor has really added to human knowledge, looking at substance, not form. Paragraph 47 adds that a contribution which consists solely of excluded matter will not count as a technical contribution.
- 13 In *Symbian*² the Court of Appeal reaffirmed the *Aerotel* approach while considering a question of “technical contribution” as it related to computer programs emphasising the need to look at the practical reality of what the program achieved, and to ask whether there was something more than just a “better program”.
- 14 The case law on computer implemented inventions was further elaborated in *AT&T/CVON*³ (*AT&T*) which provided five helpful signposts to apply when

¹ *Aerotel Ltd v Telco Holdings Ltd and Macrossan's Application* [2006] EWCA Civ 1371; [2007] RPC 7

² *Symbian Ltd v Comptroller-General of Patents*, [2009] RPC 1

³ *AT&T Knowledge Ventures/Cvon Ltd* [2009] EWHC 343 (Pat)

considering whether a computer program makes a relevant technical contribution. In *HTC v Apple*⁴, Lewison LJ reconsidered the fourth of these signposts and felt that it expressed too restrictively. The signposts are:

- i. whether the claimed technical effect has a technical effect on a process which is carried on outside the computer;*
- ii. whether the claimed technical effect operates at the level of the architecture of the computer; that is to say whether the effect is produced irrespective of the data being processed or the applications being run;*
- iii. whether the claimed technical effect results in the computer being made to operate in a new way;*
- iv. whether the program makes the computer a better computer in the sense of running more efficiently and effectively as a computer;*
- v. whether the perceived problem is overcome by the claimed invention as opposed to merely being circumvented.*

- 15 I must bear in mind that the signposts are guidelines for a technical contribution and should not be applied in a prescriptive manner. I also note that the paragraph after signposts in the *AT&T* judgment cautions me to consider if the claimed technical effect lies solely in excluded matter if I decide that there is a technical effect based upon the signposts. I must decide whether the claimed invention makes a technical contribution when considered on its own merits.

Assessment

(1) Properly construe the claim

- 16 The claims were amended in the correspondence filed 1 December 2023 and 7 December 2023, in which a clean copy of the amendments were filed. There is a single fully independent claim, claim 1, as follows:

1. A computer-implemented method for real-time digital insurance policy verification of an insured by a requestor using an insurance agency data management system and an insurance company policy administration system, the method comprising one or more computer processors performing:

creating an integrated network by directly interconnecting the insurance agency data management system and the insurance company policy administration system such that these two systems are configured to directly and automatically communicate without user input;

continuously and automatically, without human intervention or input, providing the insured's policy information from the insurance company policy administration system to the network, to develop and maintain up to date policy information;

receiving over the integrated network a request for a certificate of insurance for the insured directly from a requesting party or from a third party system that is configured to communicate with the integrated network, the request including insurance policy requirements for the insured;

⁴ *HTC Europe Co Ltd v Apple Inc* [2013] EWCA Civ 451

automatically, without human intervention or input, comparing the policy requirements of the request to the insured's up to date policy information;

if there are any discrepancies between the policy requirements of the request and the insured's up to date policy information, automatically and without human intervention or input notifying over the integrated network an insurance agent, the insured, and the requestor of the discrepancies;

if there are no discrepancies between the policy requirements of the request and the insured's up to date policy information, automatically, without human intervention or input, generating a certificate of insurance (COI) based on the comparison;

automatically, without human intervention or input, transmitting the up to date policy information and the COI to the requestor which has been verified and authenticated over the integrated network; and

providing a time-stamped, immutable transactional log of the entire process.

- 17 There are a number of points regarding construction that require a little explanation. The first is the meaning of "insured". The description, in paragraph 9, defines a policy holder as the "insured". A "requestor" is also defined in paragraph 9 as "those who need to verify certain insurance coverage". It is considered that a "requestor" may be a "requesting party" or a "third-party system" as found latter within the claim.
- 18 A major point of construction is "creating an integrated network by directly interconnecting the insurance agency data management system and the insurance company policy administration system such that these two systems are configured to directly and automatically communicate without user input". The examiner has construed the integrated network as "a network in which the processors are directly integrated into the insurance agency data management system or the insurance company policy administration system, for example using an application programming interface (API) as discussed in the description."
- 19 The applicant has not given any special construction to "creating an integrated network" in their agent's letter of 1 December 2023, and has simply recited the relevant part of the claim in their submissions.
- 20 For my part, I think that paragraph 16 of the description is useful in interpreting the claim where it states direct integration to agent/broker systems (e.g. agency management systems) as well as insurance provider system is enabled by using application programming interfaces (APIs). Other parts of the description, such as paragraph 8, suggest that only a single API may be required. What is clear to me from the description as a whole is that the "integrated network" is formed by providing an API at the insurance company policy administration system, at least, in order to provide up-to-date policy details. I also note that no details regarding the nature or form or the API are provided. Therefore, I construe "creating an integrated network by directly interconnecting the insurance agency data management system and the insurance company policy administration system such that these two systems are configured to directly and automatically communicate without user input" as "allowing the insurance agency data management system and the insurance company policy administration system to directly and automatically

communicate with each other, without user input, via an API at the insurance company policy administration system at least.”

- 21 The only other point of construction worth mentioning is that the form or nature of the immutable log is not discussed in the description. Its form is left to the skilled person implementing the invention.

(2) Identify the actual or alleged contribution

- 22 The examiner has identified the actual or alleged contribution as a computer-implemented method for real-time digital insurance policy verification by directly integrating an insurance agency data management system with an insurance company policy administration system; continuously providing the insured’s policy information to develop updated policy information; receiving a request for a certificate of insurance for the insured from a requesting party or third party system, the request including insurance policy requirements for the insured; comparing the policy requirements with the updated policy information; notifying an insurance agent, the insured and the requestor of any discrepancies between the policy requirements and policy information; generating a certificate of insurance based on the comparison; and transmitting the certificate of insurance to the requestor, without user intervention or input.
- 23 The applicant has submitted in their agent’s letter of 1 December 2023, that the problems solved “may be considered as how to provide a system for policy information verification and authentication that is secure, faster and more efficient (from a data processing and energy consumption perspective), that ensures policy information is reliable, and that allows various stakeholders to simply and easily interact with each other.” These problems are said to be technical in nature. I note there is no mention of the security, speed and efficiency issues from a purely data processing point of view in the application as filed.
- 24 Further the applicant has submitted that the result of the invention is “a new overall system that is substantially more efficient, from a time, data processing and energy consumption perspective, and more secure than previous arrangements, which, in the prior art, require manual interaction with various non-integrated sub-systems that lack verification and authentication. The system according to claim 1 enables multiple stakeholders to automatically interact with each other in real-time, and trust that the data in the system is secure (due to the time-stamped immutable logging of the process and verification and authentication of the data).”
- 25 The “new overall system” referred to above appears to be what I have construed as the linking of the insurance agency data management system and the insurance company policy administration system via an API at the insurance company policy administration system. I do not consider this to be a new arrangement of hardware, per se. The physical underpinnings of the claimed invention are two computer systems programmed to communicate and exchange relevant data with one another, with programming including an API at one of the computers. Even though a prior art search has not been carried out, it is noted that these features were notorious in the art before the date of the invention, for example, I again note that there is no disclosure of the nature of the API used in the invention. More generally, and in case my construction is incorrect, there is no specific teaching in the application as filed

regarding how to directly interconnect the insurance agency data management system and the insurance company policy administration system such that these two systems are configured to directly and automatically communicate without user input. A skilled person in the art could not implement the invention without such knowledge being part of their common general knowledge. As such, I do not consider there to be a new arrangement of hardware and there is no general contribution in directly interconnecting two computer systems.

26 Referring back to the applicant's letter of 1 December 2023, where they address the contribution, the term "verification and authentication" seems to mean the comparison of the policy requirements to the up-to-date policy information as this is only type of verification that is used in the claimed invention. I am not certain how the present invention provides any "authentication", other than receiving information directly from another party and the general "verification" of the policy holder having the required insurance. It is noted that at paragraph 15 it is stated that "In an example the system leverages existing technologies to ensure data privacy, protection, and authenticity." The present invention appears to make no actual contribution to authentication of users or data privacy or protection in light of this, even though the invention may involve aspects of these.

27 Within the description of the application the benefits of the invention are said to include:

"reduced operational costs for all stakeholders; increased overall compliance and elimination of the need to rely on point-in-time information; reduced E&O [errors and omissions] exposure, insurance fraud and misinformation; ability to generate new insurance documents anytime using current, secure and verified information; and prevention of uninsured activities by utilizing 3rd party integration features." – paragraph 7.

28 Further, paragraph 15 states that:

"The system is designed to provide benefits to all stakeholders. For agents, benefits include new leads and better customer insight. For insureds, benefits include improved customer experience and ease of business. For requestors, benefits include increased compliance and reduction of risk. For all users, benefits include operational efficiency and reduced costs. Digital endorsements provide the ability to grant endorsements electronically with supporting contractual language. The system comprises a data driven platform that is designed to transport policy data and is not dependent on traditional point-in-time documents."

29 The problems the invention is said to address in the description relate to insurance verification and the consequent delays and risks between parties doing business with one another. It is said that insurance compliance requirements can:

"change based on line of business, complexity, and risk of engagement. Engagements often span 3-10+ years and require ongoing insurance protection to maintain compliance. Risks associated with non-compliant insurance include financial loss, legal issues, reputational risk, negative impact to strategic goals, organizational embarrassment, internal opportunity loss, project halt and delays." – paragraph 3.

30 Paragraphs 4 and 5 state:

“Current insurance verification processes require the use of point-in-time documents to share insurance related details and endorsements between stakeholders. Customers are unable to quickly produce such insurance documents, which may impact their ability to close new business. Insurance agents and brokers may be unable to keep up with growing demands and employee needs to manage daily workflows. Insight into third-party requests for insurance is a challenge causing delays or the need to reissue documents more than once. Rekeying and manual extraction of insurance information is required by certificate holder management systems due to the utilization of documents.

“The end result is that the process to manage certificates of insurance (Cols) is inefficient and costly for all stakeholders involved - the requestor, the insured, and the insurance provider. Cols are point-in-time documents requiring organizations to request updated certificates on an ongoing basis. Fraudulent activity, coverage changes and cancellations make it impossible for stakeholders to maintain a proper level of compliance between updates and protect their core business.”

- 31 The claimed invention works by providing an API at the insurance company policy administration system, at least, that allows instant access to up-to-date policy information for a policy holder to an insurance agency data management system, at least. This “integrated network” is set up via one or more processors, which seem to include processors at the insurance agency data management system. I note that there is no explanation regarding the nature of the API in the patent application as filed. This means that there can be no contribution within the API itself, and APIs being standard in computer communication and interfacing at the date of the invention.
- 32 As I remarked upon above, there cannot be any contribution with the immutable log itself, simply because there is no discussion of its nature in the application as filed.
- 33 I therefore, for the purposes of step 2 of *Aerotel*, I consider the contribution of the present invention to be:

“A computer-implemented method for real-time digital insurance policy verification of a policy holder by a requestor using an insurance agency data management system and an insurance company policy administration system, the method comprising one or more computer processors performing:

allowing the insurance agency data management system and the insurance company policy administration system to directly and automatically communicate with each other, without user input, via an API at the insurance company policy administration system at least;

continuously and automatically, without human intervention or input, providing the policy holder’s policy information from the insurance company policy administration system to the network, to develop and maintain up to date policy information;

receiving over the integrated network a request for a certificate of insurance for the policy holder directly from a requesting party or from a third party system that is configured to communicate with the integrated network, the request including insurance policy requirements for the policy holder;

automatically, without human intervention or input, comparing the policy requirements of the request to the policy holder's up to date policy information;

if there are any discrepancies between the policy requirements of the request and the policy holder's up to date policy information, automatically and without human intervention or input notifying over the integrated network an insurance agent, the policy holder, and the requestor of the discrepancies;

if there are no discrepancies between the policy requirements of the request and the policy holder's up to date policy information, automatically, without human intervention or input, generating a certificate of insurance (COI) based on the comparison;

automatically, without human intervention or input, transmitting the up to date policy information and the COI to the requestor which has been verified and authenticated over the integrated network; and

providing a time-stamped, immutable transactional log of the entire process;

in order to simplify and hasten the process of obtaining a verified COI for the policy holder for all stakeholders involved, allowing operation efficiencies, reducing risk to business partners of non-compliant insurance coverage, and improved trust between potential partners, with any authentication of users and data privacy or protection being provided via known technologies.

**(3) Ask whether it falls solely within the excluded subject matter, and
(4) Check whether the actual or alleged contribution is actually technical in nature**

34 In *Merrill Lynch*⁵ the Court of Appeal provided a discussion of the scope of the business method exclusion. At page 569 the following is provided by Fox LJ:

Now let it be supposed that claim 1 can be regarded as producing a new result in the form of a technical contribution to the prior art. That result, whatever the technical advance may be, is simply the production of a trading system. It is a data-processing system for doing a specific business, that is to say, making a trading market in securities. The end result, therefore, is simply "a method of doing business", and is excluded by section 1(2)(c). The fact that the method of doing business may be an improvement on previous methods of doing business does not seem to me to be material. The prohibition in section 1(2)(c) is generic; qualitative considerations do not enter into the matter. The section draws no distinction between the method by which the mode of doing business is achieved. If what is produced in the end is itself an item excluded from patentability by section 1(2), the matter can go no further. Claim 1, after all, is directed to "a data processing system for making a trading market". That is simply a method of doing business. A data processing system operating to produce a novel technical result would normally be patentable. But it cannot, it seems to me, be patentable if the result itself is a prohibited item under section 1(2). In the present case it is such a prohibited item.

⁵ *Merrill Lynch's Application* [1989] R.P.C. 561

- 35 The business method exclusion was also considered in *Aerotel*. It was found that this exclusion encompasses not just completed business transactions and methods for running an entire business, but also more general administrative, business, commercial, financial, managerial, and organisational processes and activities (*Aerotel* at [64]-[71]).
- 36 In my opinion, the context of the computer-implemented method of claim 1, and its contribution, is a scheme, rule or method for doing business. It falls within the category in a similar fashion to the double-entry bookkeeping and “three tray” examples and the French and German translations of Art. 52 provided in paragraphs 69-70 of *Aerotel*. The issuance of certificates of insurance based on a verification of insurance requirements and a policy holder’s policy is “in the domain of economic activities”. The invention serves no other purpose than this. It is a business method carried out for commercial reasons.
- 37 I have noted the benefits and submissions that the applicant has made. However, I must remember the guidance in *Merrill Lynch* and I paraphrase the guidance here in relation to the present invention and its contribution that the claimed invention concerns a method for doing a specific business, that is to say, issuing certificates of insurance. The end result, therefore, is simply “a method of doing business”, and is excluded by section 1(2)(c). Whilst the present business method may help minimise commercial risk, improve operational efficiency and improve trust between parties outlined by the applicant, this is immaterial. The prohibition in section 1(2)(c) is generic and qualitative considerations do not enter into the matter – whilst the present business method may provide these benefits over prior methods of issuing certificates of insurance, the end result of the present invention is still a business method.
- 38 I therefore find that the present invention is excluded from patentability since the contribution relates only to a scheme, rule or method for doing business, as such.
- 39 The examiner in their reports has set out an objection to the invention also being excluded from patentability also as a program for a computer, as such. They have included consideration of the *AT&T* signposts, as recited above.
- 40 The applicant has not provided any specific observations on the *AT&T* signposts, and their submissions are based on the invention having a technical contribution as a whole without any reference to the individual excluded categories.
- 41 I also note paragraph 41 of the *AT&T* judgment, alluded to above:
- “If there is a technical effect in this sense [of satisfying at least one signpost], it is still necessary to consider whether the claimed technical effect lies solely in excluded matter.”*
- 42 This is effectively what I have achieved above. I have decided that the claimed technical effect lies solely in excluded matter as a scheme, rule or method for doing business, in light of the guidance of *Merrill Lynch*. There is no technical effect provided by the computers implementing the claimed method outside of the business method and so the claimed invention is also excluded as a program for a computer, as such.

Conclusion

- 43 The application does not comply with section 1(2) as it relates to scheme, rule or method for doing business, as such, and also a program for a computer, as such. I therefore refuse the application under section 18(3).

Appeal

- 44 Any appeal must be lodged within 28 days after the date of this decision.

J PULLEN

Deputy Director, acting for the Comptroller