Intellectual Property Office

BL O/291/16

16 June 2016.

PATENTS ACT 1977

APPLICANT Validsoft UK Limited

ISSUE Whether patent application number GB1204398.0 complies with Section 1(2)(c)

HEARING OFFICER Phil Thorpe

DECISION

1. This decision concerns whether the invention set out in patent application GB1204398.0 relates to excluded matter. The examiner has maintained throughout the examination of the application that the claimed invention is excluded from patentability under section 1(2)(c) of the Patents Act 1977 as a program for a computer and a method of doing business. The applicant has not been able to overcome the objections, despite amendments to the application.

2. The matter came before at a video hearing where the applicant was represented by Mr Richard Gover of HGF Limited.

The Patent Application

3. The application is entitled "Method of authenticating a transaction" and was filed on the13th March 2012 in the name of Validsoft UK Limited. The application was published on 18th September 2013 as GB 2500212 A.

4. The invention relates to a method of authenticating a transaction, in particular a financial transaction so as to minimise the possibility of a false-positive event occurring. A false-positive event occurs when a user attempts to carry out a legitimate financial transaction which is then declined because the financial provider (for example an issuing bank providing customers with a debit card or credit card) has incorrectly identified that transaction as being potentially fraudulent.

5. To validate the transaction the invention compares the location of a mobile device belonging to the person making the transaction with the location where the transaction is occurring. The application recognises that one way in which the location of the mobile device can be determined is to access the mobile network's Home Location Register (HLR) or the Visitor Location Register (VLR). The HLR is a database associated with the mobile subscriber's home network and contains permanent subscriber information. The VLR maintains

temporary user information (such as current location) in order to manage requests from subscribers who are out of the area covered by their home network. The application suggests that it can take some time to get location information from the HLR or VLR and this can impact on the speed of the transaction. It suggests that it may also rely on the mobile telephone being operational at the moment of lookup.

6. The invention seeks to overcome these difficulties by storing information relating to the location of the mobile device on an additional and separate server. An application running on the mobile device communicates with this server when the location of the mobile device changes. When a transaction request is received the location of the transaction can be compared with the stored location information of the user on the server in order to determine the probability of the transaction being fraudulent. In this way the potential authenticity of the transaction can be assessed based on the potential location of the user at the time the transaction is requested without the need to query a HLR or VLR. This according to the applicant increases the potential speed at which transactions can be authenticated. Authentication is also not dependent on the mobile device being operable at the time of the transaction.

7. The process of authenticating a transaction at an Automated Teller Machine (ATM) or at the Point of Sale (POS) according to the invention is shown in the following figures with the separate server being represented in figure 2 by reference numeral 101.

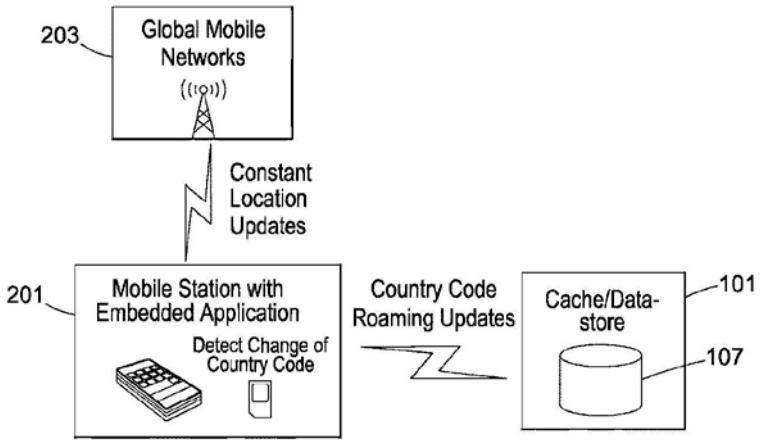

Fig. 2

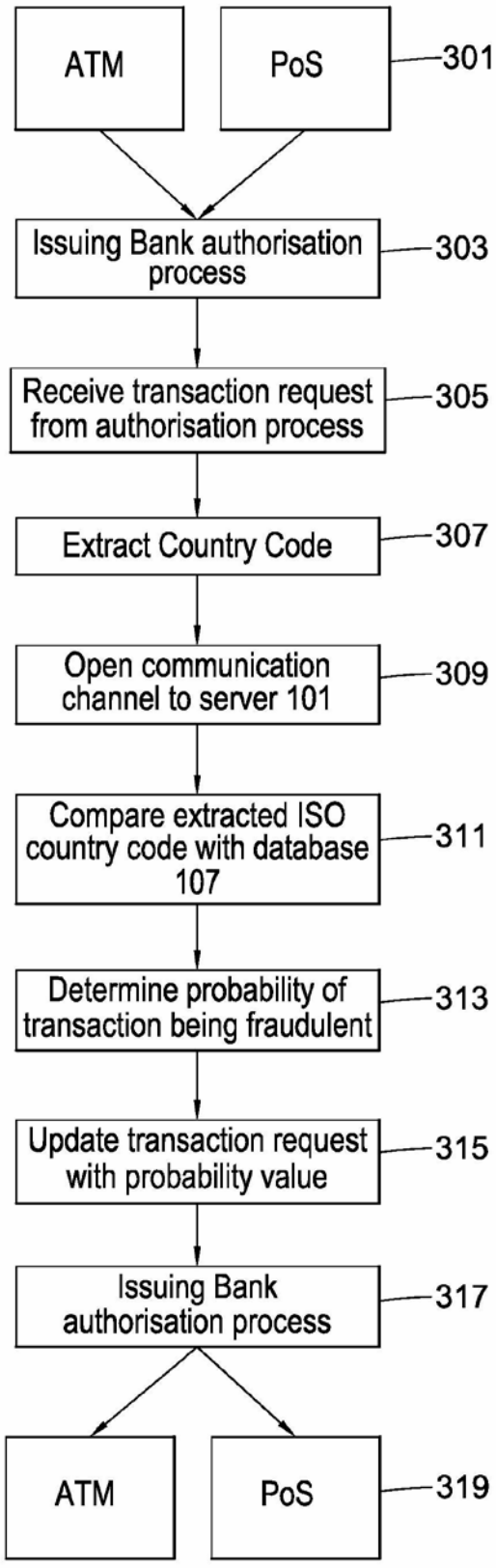
ATM
PoS
301
Issuing Bank authorisation process
303
Receive transaction request from authorisation process
305
Extract Country Code
307
Open communication channel to server 101
309
Compare extracted ISO country code with database 107
311
Determine probability of transaction being fraudulent
313
Update transaction request with probability value
315
Issuing Bank authorisation process
317
ATM
PoS
319

Fig. 3

8. The latest claims are those filed on 25th November 2014. Claim 1 reads as follows:

> A method of authenticating a transaction at a computer server which is separate from a mobile network, the method comprising:
>
> receiving from a user's mobile device user location information in response to a change of location of the mobile device;
>
> storing the location information in a database in a record associated with the user;
>
> receiving a request for authentication of a transaction purportedly by the user, the request including transaction location information;
>
> comparing the transaction location information to the stored user location information associated with the user; and
>
> generating authentication data in response to the result of the comparison
>
> wherein the user location information comprises mobile network location information obtained from a mobile network by an application operating on the mobile device and the computer server receives the user location information via a data connection between the mobile device and the computer server in response to the application noting that the mobile network location information has changed;
>
> wherein the request for authorisation of a transaction is received from an authorisation server in response to the authorisation server receiving a request for authorisation of the transaction from a point of sale terminal or automated teller machine; and
>
> wherein the generated authentication data is communicated to the authorisation server.

9. In addition to the above method claim there are also claims to a computer server configured to carry out the method (clam 9) and computer software (claim 10) to configure one or more general purpose computing devices to operate as a computer server of claim 9. Claims 9 and 10 stand or fall with claim 1.

The Law

10. The examiner has raised an objection under section 1(2) of the Patents Act 1977 that the invention is not patentable because it relates inter-alia to one or more categories of excluded matter. This is the only matter before me. The relevant provisions of this section of the Act, with highlighting relevant to this case, are shown below:

1(2) It is hereby declared that the following (amongst other things) are not inventions for the purpose of the Act, that is to say, anything which consists of –

(a) a discovery, scientific theory or mathematical method;

(b) a literary, dramatic, musical or artistic work or any other aesthetic creation whatsoever;

(c) a scheme, rule, or **method** for performing a mental act, playing a game **or doing business, or a program for a computer**;

(d) the presentation of information;

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

11. As explained in the notice published by the UK Intellectual Property Office on 8th December 2008[1], the starting point for determining whether an invention falls within the exclusions of section 1(2) is the judgment of the Court of Appeal in *Aerotel/Macrossan*[2].

12. The interpretation of section 1(2) has been considered by the Court of Appeal in *Symbian*[3]. *Symbian* arose under the computer program exclusion, but as with its previous decision in *Aerotel/Macrossan*, the Court gave general guidance on section 1(2). Although the Court approached the question of excluded matter primarily on the basis of whether there was a technical contribution, it nevertheless (at paragraph 59) considered its conclusion in the light of the *Aerotel/Macrossan* approach. The Court was quite clear (see paragraphs 8-15) that the structured four-step approach to the question in *Aerotel/Macrossan* was never intended to be a new departure in domestic law; that it remained bound by its previous decisions, particularly *Merrill Lynch*[4] which rested on whether the contribution was technical; and that any differences in the two approaches should affect neither the applicable principles nor the outcome in any particular case.

13. Subject to the clarification provided by *Symbian*, it is therefore appropriate to proceed on the basis of the four-step approach explained at paragraphs 40-48 of *Aerotel/Macrossan* namely:

(1) Properly construe the claim.

(2) Identify the actual contribution (although at the application stage this might have to be the alleged contribution).

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

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[1] http://www.ipo.gov.uk/pro-types/pro-patent/p-law/p-pn/p-pn-computer.htm
[2] *Aerotel Ltd v Telco Holdings Ltd and Macrossan's Application* [2006] EWCA Civ 1371; [2007] RPC 7
[3] *Symbian Ltd v Comptroller-General of Patents*, [2009] RPC 1
[4] *Merrill Lynch's Appn*. [1989] RPC 561

(4) If the third step has not covered it, check whether the actual or alleged contribution is actually technical.

Applying the Aerotel test

Step 1

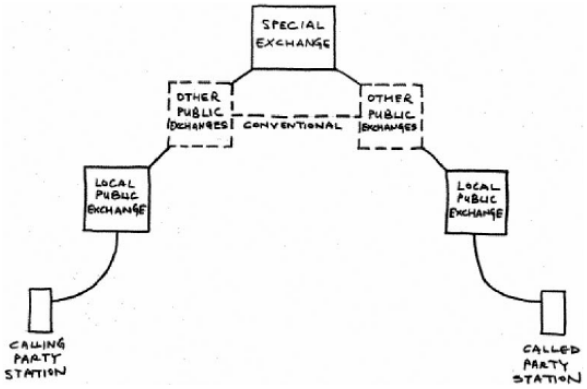
14. The first step is to construe the claims. The only part of the claim that needs discussion is the requirement that the server is "separate from a mobile network". As the application recognises the server is in communication, presumably wireless communication, with the mobile device and is updated with the mobile device's location by an application running on the device. The server is also in communication with the authentication server which in turn is in communication with a point of sale terminal or an ATM. Hence it is clear that the server is part of a network which is in communication with a mobile device. On that basis and having regard to the description I construe the requirement that the server is separate from a mobile network to mean that the server is not a part of the network handling normal communication traffic for the mobile device. For example it is separate from the HLR and the VLR.

Step 2

15. Guidance on how to identify the contribution is given in paragraph 43 of the *Aerotel* judgment where the court accepted the proposition that identifying the contribution is an exercise in judgment probably involving the problem said to be solved, how the invention works, what its advantages are. What has the inventor really added to human knowledge perhaps best sums up the exercise?

16. As I have already discussed, the problem that the invention seeks to overcome is the delay that can occur in obtaining location information on the mobile device from the HLR or VLR and the impact of this delay on the process of authenticating a transaction. The applicant accepts that the implementation of the present invention does not require any new hardware. However it argues, and this is the main thrust of its arguments, that it does require a new arrangement of hardware. More specifically it requires "a computer server which is separate from a mobile network". It argues that it was not previously known for a mobile device to communicate location information to such a server that is separate from the network and for that server to then receive transaction location information via an authorisation server to allow authentication data to be generated.

17. The applicant refers in support of this point to *Aerotel* where the Court of Appeal held that an invention relating to a method of, and device for, making a phone call did involve a system that as a whole was new. The relevant part of that decision is in paragraphs 52 to 56 which I reproduce below together with the sketch of the invention provided by the applicant's representative in that case.



“52 A conventional method of making a phone call involves the caller dialling the callee's number. The call goes through a number of public exchanges with an ultimate connection to the callee. The conventional route is shown in dotted lines. A system of measuring call duration applied to appropriate rates computes the cost. If the caller has no account running from his station (e.g. is in a call box) he will have to pre-pay. The patentee's idea is to have an extra piece of equipment which he calls a “special exchange”. The caller has an account with the owner of that and deposits a credit with him. The caller has a code. To make a call he calls the number of the special exchange and inputs his code and then the callee's number. If the code is verified and there is enough credit he is put through: the call will be terminated if his credit runs out.

53 The important point to note is that the system as a whole is new. And it is new in itself, not merely because it is to be used for the business of selling phone calls. So, moving on to step two, the contribution is a new system. It is true that it could be implemented using conventional computers, but the key to it is a new physical combination of hardware. It seems to us clear that there is here more than just a method of doing business as such. That answers the third step. Finally the system is clearly technical in nature. We see no Art.52(2) objection to the claim.

54 Turning to the method claims, they are essentially to the use of the new system. Given that that is free of a s.52(2) objection, then the narrower claim to its use must be too. Again the contribution is not just a method of doing business but the use of a new apparatus for such a method. So there is more than just a business method. And the method involves the use of apparatus and so is technical.

55 The judge held otherwise. He considered solely the method claim. What persuaded him that it was a method of doing business as such was, we think, a misunderstanding of the evidence. He said:

“[19] … It is clear that none of the equipment which is used in the method is new equipment. If that were not clear from the patent itself, it is made clear by the evidence of Mr. Hart, who is the expert called on behalf of Aerotel itself. Although he says that the system described in the patent has revolutionised the way in which telephone calls can be made and the way in which charges can be processed, he, none the less, is clear that the method would have been implemented using an electronic control exchange of a kind that had been available in the UK from the 1970s. Nothing else in the patent of a technical nature, in the sense of equipment, is said to be new and none of that technical equipment is described except in the most general terms.”

And later:

“[20] … the question is, as it seems to me, how is that known equipment used? If it is used in a way that amounts to no more than a method of conducting business, then it still falls outside the area in which a patent can be granted.”

56 What Mr Hart actually said was:

> "The Patent provides a new method and system for facilitating telephone calls. … A skilled reader of the Patent in 1985 would have been able to implement the described special exchange using an electronic control exchange of the kind that was available in the UK and elsewhere at that time".

That is not saying that the equipment used in the method is not new. Still less is it saying the system is not new. It is merely saying that the system could have been implemented at the time using known components. So we think the judge misassessed the contribution of the inventor—he was not saying "use existing apparatus for my new method" he was saying "create a new overall combination of apparatus using known types of apparatus—and use that combination for my method."

18. The contribution made in that particular patent was however considered again in *Aerotel v Wavecrest*[5] where Fysh J noted:

> 220 I have already observed however, that the Court of Appeal came to its conclusion absent the prior art which has been raised by Wavecrest in this case. The Court was unaware for example, that the existence of an Added Exchange 'sitting behind the local exchange' (and consisting of conventional computers programmed to carry out some (but not all) of the tasks required of a Special Exchange), had not only already been proposed but in the case of the WATS resellers, had actually become part of the common general knowledge.

He went to note that:

> 225 First, I must again say that I regard the 'problem' to be solved by the Patent as in fact being trivial. Inevitably, this has an impact on my view of Aerotel's 'actual contribution' to the art. More importantly, the invention works in the same overall manner as does the extra computer-driven exchange (with switches) in the prior art mentioned above. The Added Exchange enables *post-paid* calls to be made 'on any available telephone'. What was not done before however (i.e. the 'addition to human knowledge') was to have used the Added Exchange to:
>
> (i) enable *pre-paid* calls to be made, and to
> (ii) (ii) expand the capacity of the Added Exchange in consequence, so as to cope with the decision to elect for pre-payment.
>
> The second matter is the inevitable consequence of the first when an Added Exchange is present. Moreover, how it is done is not part of the invention; it is done simply 'by computer'.
>
> 226 Step (c) The step two 'contribution' consists in my judgment, entirely of excluded matter. First, the election to solicit pre-pay clientele is unarguably a 'business method' (see above §§49–50 above). The consequence in 'computer terms' forms no part of the invention; it is done with appropriate software. Moreover, even if it did form part of the invention, it would therefore only involve the construction of appropriate computer.
>
> 227 Step (d) The final step is to cross-check so as to ensure that there is no technical contribution within the proposal of the Patent. What is disclosed in the Patent and claimed, is not in my judgment a 'new overall combination of *apparatus* [93] ' and more importantly, neither is any known equipment interactive in some new way. The Special Exchange still operates in the same manner as an Added Exchange yet its

[5] Aerotel Ltd v Wavecrest Group Enterprises Limited et al [2008] EWHC No. 1180 (Pat)

> extra computer function, according to Aerotel, takes it out of the exclusion. This is a distinction of form not substance, in my view. The Special Exchange merely arranges for the processor operating the switches in the known Added Exchange to have enough amended capacity to handle the additional operations consequent upon the election to charge by pre-payment: See Mr Chandler T2/293–294.
>
> 228 In my view, for the above reasons, the subject matter of the Patent is excluded from patentability within Art 52, EPC.

19. Notwithstanding that the patent in *Aerotel* was ultimately found to relate to excluded matter, it is clear from the earlier decision that the Court did consider the invention patentable when it appeared to relate to a new arrangement of hardware. What perhaps is not so clear, particularly from reading the patent in issue in *Aerotel*, is what formed this new arrangement of hardware. If the special exchange was a stand-alone piece of equipment then it is perhaps easier to see how this might be considered a new arrangement of hardware even if, as was recognised in the judgement in *Aerotel*, the "special exchange" itself was not new equipment. If the special exchange and the other components shown in the diagram were in fact just general purpose computers each programmed to operate as a particular exchange then would that have altered the consideration of whether it was a new arrangement of hardware? The judgements would appear to suggest not. But if that is the case then is it a new arrangement of hardware because of the way the five computers were arranged together? In other words has the inventor here been the first to consider having five separate computers linked together in that way. I very much suspect not. In which case was it considered a new arrangement of hardware because of what each of the five computers is programmed to do? And if so would programming one of the computers to do something new and different result in another new arrangement of hardware? Again I do not believe it necessarily would. Indeed it was recognised in *Wavecrest* that even though the "special exchange" in the patent was programmed to do something different to the "added exchange" in the prior art that this did not save the patent from being held to relate to excluded subject matter. In other words it was no longer considered a new arrangement of hardware even though the computer was programmed to do something different to the prior art. What mattered was what the computer was doing differently and this was held to be merely a method of doing business. Hence I think great care is needed in looking to draw too much from what the Court of Appeal found in *Aerotel* in relation to the facts of that case and based on the information they had at that time. Where an inventor believes he has invented a new arrangement of hardware, particularly where that hardware involves one or more networked computers then he should make clear what he considers to be that new arrangement.

20. I should perhaps explain that I raise this because as I have indicated it was the main emphasis of Mr Gover's submissions and also because in general it does appear to be a line of argument being used more frequently before the IPO. I return now to the particular arguments made in this particular case.

21. The examiner in his last report highlighted US2008/0147546 suggesting that it was known from this to communicate location information to a separate server. The invention described in this document also relates to validating a transaction based on the location of a mobile phone. According to the description when a mobile device seeks to conduct a transaction at a particular merchant, a comparison is made between the location of the mobile device and the location of the merchant. If these match then the transaction is authorised. The applicant here refers to figure 1 of US'546 arguing that it is clear from this figure that the location of the mobile device is obtained from the wireless network handling normal communications. I would note first that figure 1 does not relate to validating transactions. Rather it concerns providing location specific content to a mobile device based on the position of the mobile device. The embodiment in US'546 which does relate to validating transactions is shown in figure 8 (reproduced below). In this embodiment the location of the device is obtained by the location validation application 800 from the location server 860. The location server in turn asks the mobile device 813 for an update on its position. US'546 also notes that :

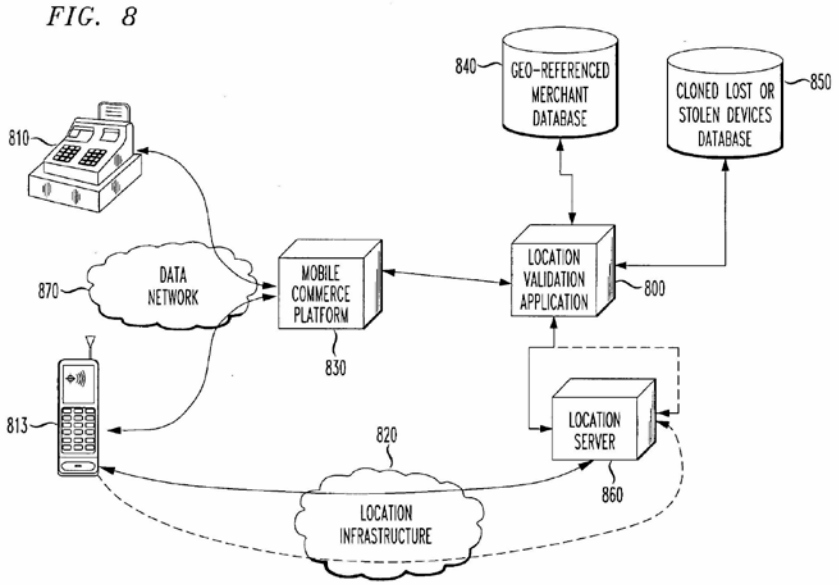
> "Ideally, it is preferred that the current location of the wireless phone returned by the location server 860 be freshly obtained subsequent to the initiation of the electronic wallet transaction, rather than reporting a location of the wireless phone by the location validation application 800 as its last known position. This adds an additional layer of security to the device-based location validation of the electronic wallet transaction."

22. Like the application in issue here, US'546 does not provide any real detail about the hardware used or how it is arranged. It does however note that the location validation application 800 may be:

> "implemented within any suitable server, eg within the service provider's network or a third party network".

23. US'546 also makes it clear that the location of the mobile device is not necessary obtained from information relating to the normal wireless network for example Cell ID, but could alternatively be obtained by a GPS application on the mobile device.

FIG. 8



24. Hence whilst the reference to any suitable server might include a network that could also handle normal communications from the mobile device, it would also in my view cover a server that does not handle such communication. Hence I am satisfied that US'546 does teach a transaction validation system where location information is obtained from a mobile device by a server which is separate from system providing normal network communication for that device. In light of that I am not persuaded that the contribution made by the invention here includes any new arrangement of hardware.

25. I would add that even if I am wrong about the disclosure in US'546, I would still struggle to see the invention here providing any real new arrangement of hardware. Systems whereby a mobile device communicates with a server separate from the network managing normal communications are well known and any difference between those systems and the system here will be because of what the server is programmed to do and what information is sent to and from the server. In this particular case any such difference is not in my opinion sufficient for the arrangement to be considered the sort of new arrangement of hardware that saved the application originally in *Aerotel*.

26. Rather I believe the contribution here is a method of authenticating a transaction in which user location information is received by a computer server, separate from the mobile network, from an application operating on the user's mobile device in response to a change of location of that mobile device, and a request for authenticating a point of sale or ATM transaction including transaction location information is received from an authentication server. The received location information is compared and the generated

authentication data is communicated to the authentication server. The applicant suggests that the above method provides for quicker authentication than obtaining location information from the mobile network ie the HLR or VLR. I am happy to accept that.

Steps 3 & 4

27. I will consider steps 3 and 4 together. I am in no doubt that at the heart of claims 1, 9 and 10 is a computer program. Of course it is very well established in the case law that a program which provides a technical contribution is not excluded ie it is not a program for a computer *as such.*

28. The applicant contends that as a matter of practical reality, the computer programmed as taught in claim 1 is a faster computer for authenticating a transaction. As a better computer it is therefore patentable. It draws support from the comments of Lord Neuberger in *Symbian* where he noted:

> Putting it another way, a computer with this program operates better than a similar prior art computer. To say "oh but that is only because it is a better program—the computer itself is unchanged" gives no credit to the practical reality of what is achieved by the program. As a matter of such reality there is more than just a "better program", there is a faster and more reliable computer.

29. The applicant also refers to *Gale's Application*[6] where it was noted that to avoid being excluded more is needed than a code as embodied on a physical medium which causes the computer to operate in accordance with that code. It went on to give as an example a change in the speed with which the computer works.

30. As I noted above I am prepared to accept the applicant's claim that the authentication process according to the invention is quicker than one where the mobile network handling normal communications is interrogated for the location of the mobile device. However any increase in speed is not in my opinion the result of the computer itself being quicker in the sense it was in *Symbian* or *Gale*. The increase in speed of the authentication process does not come from the solution of a technical problem within the computer or system but rather from changing what the system is doing. More particularly it comes from changing the process such that location information is not obtained from the normal communication network but rather from a separate server which is fed the information by an application on the mobile device.

31. The applicant also refers to *PKTWO*[7] noting that the application there was found to be patentable because what the computer was doing internally was new and this produced the alarm. It argues the same is happening here in that the improvement stems from how technically the improved process is put into practice. It is important to note, as the Judge did in *PKTWO* that his conclusion was reached on the basis of the very specific facts of the case before him. It is therefore difficult, and probably unwise, to seek to draw too

[6] Gale's Application [1991] R.P.C. 305
[7] Protecting Kids the World Over (PKTWO) Ltd's Patent Application [2012] R.P.C. 13

much from that decision when considering a case with very different facts. I will however note that there is in my view a real qualitative difference between a technically superior monitoring of electronic communications and the associated improvement in alarm generation in that case and the improvement here. The former was considered to solve a technical problem lying outside of the computer. Here however the technical problem of delays in looking up location information in the mobile network is not solved.

The AT&T Signposts

32. The applicant seeks further support as to the allowability of its application from the signposts in *AT&T* arguing that all five signposts are met. Before I turn to the individual signposts I would note as Lewison LJ made clear in *HTC*[8] that the signposts do not replace the statutory test but rather provide some help in some cases in determining whether there is a technical consideration.

33. Turning to the first signpost, the applicant accepts that the reference to computer in this signpost has been deemed to cover an arrangement or network of computers as in for example *Lantana*[9]. The applicant however argues that the invention in *Lantana* existed solely within the confines of the network of computers. In contrast here there is an effect outside of the computer if one considers the invention from the perspective of the authentication server. More specifically the authentication server will receive the information on the location of the mobile device quicker than if the information was sought from the HLR.

34. The applicant also refers to *Gemstar*[10] noting that the movement of data from one disk to another was enough to satisfy signpost 1.

35. I do not read Gemstar in the same way as the applicant does. In particular I do not believe that Mann J. considered specifically the individual signposts but rather approached the case more broadly by considering whether there was any technical contribution or technical effect. The relevant part of that judgement which covers whether the so called “Transfer patent” relates to patentable subject matter is in paragraphs 232-236. Here Mann J finds that the invention in initiating the movement of data from one disk to another does achieve a relevant technical effect. I am not persuaded that there is any sort of comparable technical effect here. There is in my view no technical effect on a process carried on outside of the computer. The first signpost appears to be based to a large extent on the reasoning in *Vicom* where the process of manipulating digital images was considered a technical process. In contrast the field in which the invention here operates, namely authenticating financial transactions is not a technical field. I would add that I would reach the same conclusion irrespective of whether I include the authentication server within the definition of the “computer” for this particular signpost. Hence this signpost does not help.

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[8] HTC Europe Co. Ltd v Apple Inc [2013] R.P.C. 30
[9] Lantana Ltd v Comptroller-General of Patents, Designs and Trade Marks [2013] R.P.C. 30;
[10] Gemstar-TV Guide International Inc v Virgin Media Ltd [2010] R.P.C. 10

36. The applicant contends in respect of the second signpost that the invention here does change how the architecture of the computer runs. It further contends that the system is running in a different way. Again I am not in the least bit persuaded. The invention in issue is focused solely on a particular application, authenticating a financial transaction, by processing information specific to that application. It may do this differently to previous system but it does not operate at the level of the architecture of the computer irrespective of how the computer might be defined in this context.

37. The applicant also suggests that the invention provides a new way of obtaining location information for use in authorising a transaction. I accept this. But that does not mean the computer is operating in a new way. If it did then it is hard to see the exclusion as having any real meaning. Rather what signpost 3 is referring to is a new way of operating the computer in a technical sense. It is not about new ways of handling particular types of information nor is it about the functional interrelationships between various components that are necessary to implement a new method of authenticating financial transactions. Equally whilst the speed of authenticating a transaction might be improved by the method of the invention this is because the highlighted problem of accessing data from the HLR or the VLR is circumvented by establishing a separate second source of the data. The computer itself is not operating more efficiently or effectively. Rather it is operating in much the same way as before albeit it is being asked to do something different. Hence none of signposts 3, 4 nor 5 help.

38. Overall therefore I do not believe that any of the signposts point to there being any technical contribution provided by the invention.

Method of doing business

39. I turn now to the question of whether the invention relates to a method of doing business. In Halliburton[11], Birss J. noted that:

> "The business method cases can be tricky to analyse by just asking whether the invention has a technical effect or makes a technical contribution. The reason is that computers are self evidently technical in nature. Thus when a business method is implemented on a computer, the patentee has a rich vein of arguments to deploy in seeking to contend that his invention gives rise to a technical effect or makes a technical contribution. For example the computer is said to be a faster, more efficient computerized book keeper than before and surely, says the patentee, that is a technical effect or technical advance. And so it is, in a way, but the law has resolutely sought to hold the line at excluding such things from patents. That means that some apparently technical effects do not always count. So a computer programmed to be a better computer is patentable (Symbian) but as Fox L.J. pointed out in relation to the business method exclusion in Merrill Lynch, the fact that the method of

[11] Halliburton Energy Services Inc's Patent Application [2006] RPC 26:

doing business may be an improvement on previous methods is immaterial because the business method exclusion is generic."

40. As I have noted the method of authenticating a transaction here may indeed be a better method in that viewed either from the ATM or point of sale, or the authentication server, the speed of response in obtaining location information relating to the mobile device will be faster. However, for the reasons set out above that in itself will not take the invention outside of the business method exclusion. The court has for example held in *Merrill Lynch* and in *AT&T* (see especially CVON part of that judgement) that this sort of benefit will not save an application.

The approach of the EPO and the equivalent EP Patent

41. The applicant contends that it is helpful to consider how the EPO would handle this application in particular how it would assess inventive step. It suggests the closest prior art would be a comparable system where the HLR is interrogated for the mobile devices location. It suggests the objective technical problem is how to adapt the system to speed up the generation and provision of that information. The solution proposed would according to the applicant be considered by the EPO examiner to constitute a technical solution to this technical problem and one that would not be obvious without the benefit of hindsight.

42. It is not for me to comment on what the EPO might do with any corresponding application not least because its approach to examining subject matter such as this differs from the approach I am required to follow. However notwithstanding that I would note that the EPO in its latest communication[12] has indicated that there is little prospect of an EP patent being granted for the same invention. Whilst the approach adopted by the EPO may differ to that here, focussing on inventive step including using US 2008147546 as the closest prior art, the outcome does appear to be heading in the same way.

Decision

43. Having carefully considered all the arguments put forward by the applicant I am satisfied that the invention does not provide any technical contribution. Rather I have found that the contribution made by the invention defined by the claims falls solely in matter excluded from patentability by virtue of section 1(2)(c) of the Act, namely a program for a computer and a scheme, rule or method for doing business.

44. I can see nothing in the specification as a whole that could be reasonably expected to form the basis of a valid claim. I therefore refuse this application under section 18(3).

[12] See communication from the Examining Division dated 5th January 2016 on EP2826006

Appeal

45. Any appeal must be lodged within 28 days.

Phil Thorpe
Deputy Director acting for the Comptroller