



## PATENTS ACT 1977

APPLICANT                      Blackhawk Network, Inc. et al

ISSUE                          Whether patent application GB1808397.2 complies  
   with Section 1(2)(c) of the Patents Act 1977

HEARING OFFICER                      J. Pullen

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### DECISION

#### Introduction

- 1 Patent application GB1808397.2 entitled 'Systems and methods for providing a transaction card package assembly including a sample product or service' was filed 22 May 2018 as a divisional of GB1318130.0, and as such takes 5 April 2012 as its filing date. It was published as GB 2560659 A on 19 September 2018.
- 2 The examiner, Mr David Kirwin, found the invention to be excluded under Section 1(2) of the Patents Act 1977 ("the Act"), and decided that a search would therefore serve no useful purpose. He issued a combined search report, under Section 17(5)(b), and an abbreviated examination report, under Section 18(3) on 27 June 2018.
- 3 There followed several rounds of correspondence between the examiner and the agent for the applicants, Mr Michael Jennings of AA Thornton, without agreement being reached. A hearing was requested, but was subsequently withdrawn and instead a decision based on the papers on file was requested.
- 4 I noted above that no search has been performed and although the examiner has foreshadowed further potential objections in his initial examination report, the pre-hearing report of 30 September 2018 identifies just one matter to be decided, that is whether the claimed invention is excluded from being patented under Section 1(2) of the Act as a method for doing business and/or a program for a computer as such.
- 5 The matter came before me and I confirm that in reaching my decision I have taken into account all documents on file, in particular, the amended claims filed 25 July 2018, and the detailed arguments set out in Mr Jennings' letter of the same date.

#### The invention

- 6 The invention relates to conducting transactions using transaction card package assemblies, which comprise a card holder containing one or more transaction cards and a sample product. The transaction cards are of the sort which are activated at a

point of sale terminal. They may be credit or debit cards, gift cards, prepaid cards, membership or loyalty cards, etc. The description indicates that the transaction cards “may be used to transact business” (paragraph [0017]), and I note that no other use is described for them. The sample may comprise either an actual product, or a coupon which may be exchanged for a product or a service, and is distributed free of charge, packaged along with the transaction card (in the transaction card package assembly).

- 7 There are two independent claims: claim 1 to a “processing system” and claim 13 to “conducting a... transaction”.

*Claim 1:*

*A transaction card package assembly processing system comprising:  
a datastore maintaining account information for a plurality of transaction card package assemblies, a plurality of samples, and any correlations between the two;  
a point of sale terminal interface for receiving and transmitting a message and response with a point of sale terminal;  
a sample correlation unit to process and record a correlation instruction, to determine whether a transaction card package assembly and sample are eligible for correlation by comparing information received in a correlation request to information stored in the datastore, and if eligible, to correlate one or more sample identifications with one or more transaction card package assembly identifications;  
a data request unit for processing data requests received from and transmitting data request responses to a transaction card package assembly interested party;  
a card issuer authorization system interface for receiving and transmitting a message and response with a card issuer authorization system; and  
a sample issuer system interface for receiving and transmitting a message and response with a sample issuer system.*

*Claim 13:*

*A computer implemented method for conducting a transaction card package assembly transaction comprising:  
receiving in a transaction card processing computer a correlation request from a transaction card package assembly interested party for a transaction card package assembly and a sample, wherein the correlation request comprises a transaction card package assembly identification or an individual transaction card identification, and a sample identification;  
comparing the transaction card package assembly identification or individual transaction card identification, and the sample identification to stored data in a datastore*

*to determine if the transaction card package assembly or individual transaction card and the sample are eligible for correlation; correlating, if eligible, the sample identification with the transaction card package assembly identification or individual transaction card identification when the transaction card package assembly and the sample are found eligible for correlation; updating the transaction card package assembly account or transaction card account, and the sample account in the datastore to reflect correlation; and transmitting a correlation completion message to the transaction card package assembly interested party.*

- 8 The independent claims are not significantly different in scope, share the essential features and, in the absence of any indication to the contrary found in the documents on file, will stand or fall together.

### **The law**

- 9 The examiner has objected that the invention is excluded from being patented as a method for doing business and/or a program for a computer as such. The relevant section of the Act is 1(2), the most relevant provisions of which (with my emphasis added) are:

#### *Section 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.***

- 10 Whether, or not, an invention falls within these excluded categories is assessed on the basis of the four-step approach set out by the Court of Appeal in *Aerotel/Macrossan*<sup>1</sup>. The steps are:

*(1) Properly construe the claim;*

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<sup>1</sup> *Aerotel Ltd v Telco Holdings Ltd (and others) and Macrossan's Application* [2006] EWCA Civ 1371

(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.*

- 11 Subsequently, the Court of Appeal in *Symbian* made clear that the *Aerotel* test is not intended to provide a departure from the previous requirement set out in case law, namely that the invention must provide a "technical contribution" if it is not to fall within excluded matter. The *Aerotel* test has subsequently been endorsed by the Court of Appeal in its decisions in both *HTC*<sup>2</sup> and *Lantana*<sup>3</sup>.
- 12 In determining whether or not a program for a computer makes a relevant technical contribution which takes it beyond being "a program for a computer... as such" it is helpful to consider the five "signposts" first set out in *AT&T/CVON*<sup>4</sup>, and later reformulated in *HTC*. 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.*

## **Assessment**

- 13 I am grateful to Mr Jennings for the detailed analysis of the invention following the *Aerotel/Macrossan* steps provided in his letter of 25 July 2018.

### **(1) Properly construe the claim**

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<sup>2</sup> *HTC Europe Co Ltd v Apple Inc* [2013] RPC 30

<sup>3</sup> *Lantana Limited and The Comptroller General of Patents, Designs and Trade Marks* [2014] EWCA Civ 1463

<sup>4</sup> *AT&T Knowledge Ventures/Cvon Innovations v Comptroller General of Patents* [2009] EWHC 343 (Pat) (*AT&T/CVON*)

- 14 I note the claim constructions provided by the agent and by the examiner. I do not think anything significant rests on the slight differences between them, nor do I think there is any difficulty in construing the claims.
- 15 While there is no difficulty in the construction, I am aware of the clarification provided by Mr Jennings (and agreed by the examiner in his pre-hearing report) that the correlation relates to the accounts of the transaction card package and sample, rather than the ability to physically bundle them together.

***(2) Identify the actual contribution***

- 16 The examiner, in his pre-hearing report, identifies the contribution as determining whether a transaction card package assembly and a sample are eligible for correlation “in order that goods and services can be more effectively promoted”. I think this is too narrow as it omits the analysis of received identification data with respect to pre-stored data.
- 17 Mr Jennings, in his letter, says that applying the principles from *Aerotel/Macrossan* (i.e. “the problem said to be solved”, “how the invention works”, and “what its advantages are”), “an objective technical problem to be solved is how to improve the controllability of transaction card package assembly correlation transactions.”
- 18 The contribution given in Mr Jennings’ letter are summarised forms of the independent claims and I broadly agree with his assessment.
- 19 In summary, I consider the contribution to lie in the correlation of an account associated with one or more transaction card package assemblies with an account associated with one or more samples on the basis of the eligibility of pre-stored data identifying each.

***(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***

- 20 I will consider steps (3) and (4) together.
- 21 As noted above, the invention centres around correlating the transaction card package assemblies and the samples.
- 22 The “transaction cards” are of a conventional type. The description indicates, at paragraph [0017], that they “may be used to transact business” (and I note here that no other use is described). They “may be a type... that requires activation at a point of sale”. A non-exhaustive list of examples is provided: “credit cards, debit cards, gift cards, telephone cards, loyalty cards, membership cards, ticket cards, entertainment cards, sports cards, prepaid cards”.
- 23 A “sample” is described in paragraph [0020] of the description as at least one “product” or at least one “coupon for a product or service”. It is “distributed at no cost to a consumer, e.g., a gift with the purchase of a transaction card”.
- 24 The invention is in the field of conducting financial transactions and there is no other application described. I find that the contribution falls wholly within the business method exclusion.

- 25 It is clear that the correlation of the accounts is performed on a computing device, having interfaces to transmit and receive the data on the basis of which the correlation is performed, *i.e.* a computer in a network. I note that the data processed is financial transactional data, presented to a point of sale terminal by purely conventional means (e.g. scanning a barcode, swiping a magnetic strip or manually keying a code, as discussed at paragraph [0038] of the description) in a conventional arrangement.
- 26 Mr Jennings, in his letter, states that that the invention “has a technical effect of improving the controllability of... correlating transactions.” He argues that the “requirement for certain eligibility criteria to be met... improves controllability by preventing an erroneous correlation taking place...” And concludes that the claimed system contributes to “error prevention and improved selectability of desired correlation transactions.”
- 27 I can see the advantage of preventing accounts from being erroneously correlated. However, I am not persuaded that having accounts erroneously associated together constitutes a ‘technical problem’ rather than an administrative problem. Whilst any steps taken to prevent an error from occurring could possibly be described as exercising ‘control’, the ‘control’ is of an administrative function relating to a business transaction. Any improved ‘controllability’ of the correlation transactions simply results in a better business method.
- 28 Mr Jennings also states ‘the identification of business problems solved by the claimed invention does not preclude the coexistence of a technical one.’, I am in full agreement with this and will consider his arguments relating to the computer program exclusion.
- 29 In support of his arguments that the contribution does not fall within the computer program exclusion Mr Jennings draws attention to the first *AT&T* signpost: “whether the claimed technical effect has a technical effect on a process which is carried on outside the computer” and argues that it does. He suggests that the “technical effect” is “improving the controllability of correlation transactions”, and that the process is that of “transaction card package correlation”, and that this is “carried on outside a computer.”
- 30 I am not persuaded by this line of reasoning, as the actual process of correlating the accounts by comparison of data associated with these accounts occurs within the computer network. There is no ‘technical effect’ outside the computer as it is business transactions, albeit potentially improved business transactions, which are taking place outside the computer and these are not technical.
- 31 Mr Jennings doesn’t rely on any of the other four signposts to support his arguments and following brief consideration I cannot see that they will support his arguments.

## **Conclusion**

- 32 I find the application to be excluded from being patented under Section 1(2) as a method for doing business, and in its implementation in a processing system, as a program for a computer as such.

33 I have read through the specification but can find no saving amendment. I therefore refuse the application under Section 18(3).

**Appeal**

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

**J. PULLEN**

Deputy Director, acting for the Comptroller