

- 5 The application relates to an automated method for creating the required legal documents to incorporate a business entity using a data processing system. The essence of the invention is that by means of posing questions to a user in a number of stages, enough information is gleaned from the user's answers to produce the required documents. Questions posed in the second and subsequent stages are determined from previous answers provided and the user's answers are stored in a database structure. This process is repeated until the user has provided enough information to allow the documents legally required to create the corporate entity to be generated. A number of document templates are also stored and the data processor is configured to merge at least one of these templates with the user's answers to generate the required legal documents. The documents may then be sent in an electronic form to the user for the user to print out and submit, mailed to the user, or submitted to the appropriate registration authority on behalf of the user.
- 6 The claims in their latest form (as filed on 9 December 2004) comprise independent claim 1, dependent claims 2-18 and omnibus claim 19. At the hearing, attention was focused on claim 1 which reads as follows:

“A method for producing documents for use in the formation of a corporate entity using a data processing system, the system comprising a corporate entity creation service provider data processing apparatus including a data processor and data storage means associated with the processor; remote client data processing apparatus; and interactive communication means in communication with the data processor and the client data processing apparatus; wherein the system assists in the formation of a corporate entity in at least one answering session in which the interactive communication means is configured to allow the data processor, configured in accordance with an application program running on the data processor, to communicate sets of one or more questions to the client data processing apparatus for presentation to a user attempting to form a corporate entity, and allows the data processor to receive from the client data processing apparatus the user's answers to the questions and to store the answers in the data storage means; the data processor, configured in accordance with the application program and using the interactive communication means, is arranged to successively select and communicate a further set of one or more questions to the client data processing apparatus for presentation to the user, to receive the user's answers thereto and to store the answers in the data storage means, and to repeat said selection and communication of further sets of one or more questions until the data processor, configured in accordance with the application program has received and stored enough answers to allow the data processor to determine the documents that are legally required for the formation of the corporate entity; wherein the selection of at least some of said further sets of questions by the data processor is based on the received user's answers to one or more previous questions; wherein the data processor, configured in accordance with the application program, determines the documents that are legally required for the formation of the corporate entity and generates said legally required document in an electronic form using at least some of the user's answers that have been stored in the data storage means and wherein the data storage means includes a database structure having a plurality of user answer fields in which at least a selected one of the user's

answers are stored; and wherein a store of document templates is accessible by the data processor, and the data processor is configured by the application program to merge at least one selected document template corresponding to said legally required documents, with at least a subset of the stored user's answers to generate said legally required documents.”

The law

- 7 The examiner has maintained that the application is excluded from patentability under section 1(2)(c) of the Act as a mental act, a method for doing business and a program for a computer as such. The relevant parts of this section read:

“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 performing a mental act, playing a game or 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.”

Interpretation

- 8 In deciding whether the present application is patentable, I see no reason to depart from the approach set out in the Patent Office Practice Notice issued on 24 April 2002 entitled “Patents Act 1977: interpreting Section 1(2)”, which is that even if an invention relates to an excluded field, it will not be refused as being unpatentable **if it provides a technical contribution**. In other words, if it makes a technical contribution, it does not relate to the excluded item “as such”. This interpretation follows the decision of the Court of Appeal in *Fujitsu Limited's Application* [1997] RPC 608.
- 9 The principles to be applied under UK law in deciding whether an invention makes a technical contribution have been rehearsed repeatedly in various decisions of the comptroller's hearing officers in recent times. These can all be found on the Patent Office's website at <http://www.patent.gov.uk/legal/decisions/index.htm>. Indeed, much of the argument Mr Butler put forward was directed towards persuading me that the present invention provided the required technical contribution.
- 10 For the purpose of this decision, I consider it necessary only to restate the principles I have applied (as taught by the courts), not their origin:
- It is the substance of the invention which is important rather than the form of claims

adopted.

- Whether an invention makes a technical contribution is an issue to be decided on the facts of the individual case.
- Any doubt over the patentability of the invention should be resolved in favour of the applicant.
- Under UK law, exclusions are determined separately from matters of novelty and inventive step.
- An invention is not prevented from being treated as patentable just because it includes excluded elements.

- 11 Mr Butler expressed concern over the difference in approach to assessing patentability between the UK courts and the Boards of Appeal of the EPO as most recently exemplified in *Hitachi* (Board of Appeal of the European Patent Office T 0258/03). In essence this difference is that the presence of any technical means in a claim is sufficient in the eyes of the EPO for an invention to avoid the exclusions where as it is not in the eyes of the UK courts, as exemplified in *Fujitsu Limited's Application* [1997] RPC 608.
- 12 My role is to decide whether the present application meets the requirements of the Act as interpreted by past decisions of the courts. Whilst consistency of application of the UK Patents Act and the EPC is of the utmost importance in regard to what is and is not patentable, I am in no doubt that I must follow the approach of the UK courts when there is a divergence. Those courts have made it clear that the mere presence of hardware in the claims is not sufficient to overcome the exclusions.
- 13 Mr Butler directed me to three recently granted UK and EP patents, namely GB 2373624, GB 2345997 and WO 9506294. He submitted that each of these related to an automated online system analogous to the present application. Whilst he did not address me in any detail on their subject matter, he considered the present invention to make as much of a technical contribution than the invention disclosed in that patent. Previous patents granted by the EPO (or the UK Patent Office) have little bearing on my decision regarding the present application. Whether a particular invention makes a technical contribution is to be decided on the facts pertaining to that case.
- 14 In assessing patentability, the questions I must therefore decide are:
- Does the invention fall within the categories of excluded matter mentioned in section 1(2)? If yes:
 - Does the invention make a technical contribution such that it cannot be said to amount to excluded matter **as such**? If yes, then it is not excluded by section 1(2)

Does the invention fall within the excluded categories?

- 15 Mr Butler urged me to construe s1(2) narrowly. However, it has been established by the Courts in *Lux Traffic Controls Ltd v Pike Signals Ltd* [1993] RPC 107, that the phrase “among other things” in s1(2) indicates that the list of excluded matter is not exhaustive. Hence the exclusion may also apply to other matters which are essentially abstract or intellectual but which do not fall clearly into one of the specified categories specifically listed. Consequently even if the invention does not fall precisely within the terms of the specific exclusions in section 1(2) of the Act, I may find that it relates to subject matter of the sort that is excluded by the Act. I shall though first consider the invention against the specific exclusions referred to by the examiner. If I find it to fall within specific excluded categories then it goes without saying that it falls into the general area of the exclusions.

Method of performing a mental act

- 16 At the hearing, Mr Butler sought to persuade me that the essence of the invention, namely a process for producing legally compliant documents, was a physical process carried out by a computer with a physical end product and not a mental act. He was at pains to distinguish the present invention from that of *Wang Laboratories Inc's Application* [1991] RPC 463 on the grounds that, unlike *Wang* which produced abstract expert advice, this invention produced a functional end product. He emphasized that in the method of the invention, the computer was programmed to ask rather than answer questions and was not programmed to give abstract advice or suggestions. He denied that the computer was standing in for a human expert and indeed disputed the relevance of this decision.
- 17 Mr Butler also contrasted the invention with that of *Fujitsu*, in that the user was not left to select what data to work on, how to work on it, assess the results and assess which results (if any) to use. He emphasized that the claimed method was not abstract, the process of use was defined and what was produced was the inevitable result of taking a number of defined steps and was not determined by the personal skill and assessment of the operator.
- 18 The specification discusses the shortcomings of conventional methods of creating a corporate entity which either rely on the involvement of a professional service provider or, if carried out by a lay person, involve an element of risk due to a lack of understanding of the legalities. The solution proposed by the invention is to automate that process. At first sight, it might appear perfectly reasonable to conclude that using a computer to carry out a method necessarily means that the “mental act” exclusion is avoided. The point has, however, been considered on numerous occasions by the UK Courts. For example, in *Wang*, Aldous J. said at pages 472 and 473:
- “The fact that the scheme, rule or method is part of a computer program and is therefore converted into steps which are suitable for a person operating the computer does not matter The method remains a method of performing a mental act, whether a computer is used or not. . . . The method may well be different when a computer is used, but to my mind it still remains a method of performing a mental act, whether or not the computer adopts steps that would not ordinarily be used by the human mind.”
- 19 Thus, just because a computer is involved is not sufficient for the “mental act” exclusion to be

avoided. In this instance, even though the claims define a method of producing documents, I conclude that this method is replicating a mental process and hence the invention falls within the general ambit of the “mental act” exclusion.

Method for doing business

20 Mr Butler accepted that the invention provided a method that could be used in a business context. That was not the same thing, he said, as saying that it related to a method for doing business. The act of making a physical document was not, in Mr Butler’s opinion, a business activity and thus the claims could not he said be excluded as a method for doing business.

21 I do not agree. The application at page 8 states that:

“The method of the preferred embodiment allows members of the public who may be non legally qualified or paralegals, to access and interact with the application program whereby they can create the documents necessary for the creation or corporate entities while being provided with related legal information. ... Additionally, legal practitioners or corporate entity providers themselves can use the application program. Further, they may do so with the help of lesser qualified and therefore lower paid employees, thereby saving overheads and either increasing their profit, or lowering their prices and increasing their ability to compete.”

22 To my mind, the production of legally compliant documents is just the sort of activity that falls within the business method exclusion. It is something that solicitors are paid to do. Thus, I find the present invention to fall potentially within the “business method” exclusion.

Program for a computer

23 Mr Butler accepted that while the invention involved a data processing system, he submitted that, in substance, the invention was a process for producing documents and not abstract in nature. Indeed, he said the invention would have no use unless it produced the physical documents.

24 As I have stated above, the form of the claim is of no importance when determining whether the substance of the invention is such that it falls into one of the excluded categories. Claim 1 is drafted in terms of a method involving various pieces of hardware and at first glance does not look like a program for a computer. However, in the absence of any indication to the contrary in the specification, I am in no doubt that the means of implementing the invention is via a piece of computer software. I conclude therefore that claim 1 falls within the ambit of the “computer programs” exclusion.

25 In arguing that the invention was patentable, Mr Butler focused on demonstrating that the invention made a technical contribution. I think that the gist of his argument can be summed up by quoting paragraph 4.5 of the *Hitachi* decision

“Hence, in the Board’s view, activities falling within the notion of a non- invention ‘as such’ would typically represent purely abstract concepts devoid of any technical implications”.

26 Thus, there was common ground between us in accepting that something purely abstract was not patentable, that a technical contribution was what was needed to make something otherwise falling foul of Section 1 (2) patentable and that the technical contribution could be found in the hardware or software parts of the system.

Technical contribution

27 I have found that the invention falls within the general area of the “mental act”, “business method” and “computer program” exclusions. That is not the end of the matter however. I must now decide whether the invention amounts to these things **as such** by applying the technical contribution test. What constitutes a “technical contribution” has been the subject of a good deal of argument before both the UK Courts and the Boards of Appeal of the EPO. They have concluded that the technical contribution can manifest itself in a number of ways and Mr Butler has identified a range of sources which he says provides one.

28 At the hearing, Mr Butler sought to persuade me that one test of there being a technical contribution was that there were technical features specified that had a causal link to the process being carried out in the claim as a whole. In particular, he argued that the steps of (i) configuring the data processor to determine which document templates are required, (ii) accessing user input data stored in a database and (iii) merging those templates with the user’s answers to generate the legal documents required was a technical process and that that technical process was carried out within the computer. Furthermore, since that process was linked to the process as a whole, he argued that provided the technical contribution required.

29 Mr Butler argued that a claim directed to a technical process carried out under the control of a computer program could not be regarded as a computer program as such. He drew my attention to the EPO Board of Appeal Decision *Vicom Systems Inc* (T 208) at paragraph 12 which says:

“The Board is of the opinion that a claim directed to a technical process which process is carried out under control of a program (be this implemented in hardware or software, cannot be regarded as relating to a computer program as such within the meaning of Article 52(3) EPC.”

30 He also referred me to *Fujitsu Limited Application* [1996] RPC 511 and Laddie J’s discussion at page 531 where he says:

“If a new process achieved by mechanical means would be patentable, there is no reason why the same process achieved by computer means should be any less patentable. If that is so, it does not matter whether the patent claims are drafted in terms of a process controlled by a computer, a computer when programmed in a particular way or a method of controlling the computer. In each case, the substance of the invention is the same.”

31 Mr Butler also sought to persuade me that a technical contribution lay in the activities needed before programming of the computer could start. Consideration would need to be given to issues such as the sequence of questions to elicit the information needed to complete each

relevant document, the user interface, where to store the user's answers, what and how to produce the required end documents. Mr Butler submitted that these considerations were "technical" and hence provided the required technical contribution. In this respect, he urged me to follow the EPO Board of Appeal's Decision in *Sohei's Application* [1996] EPOR 253 (T769/92). He also drew my attention to *Merrill Lynch's Application* [1989] RPC 561 at page 565 which states:

"...if some practical ie technical effect is achieved by the computer ... operating according to instructions contained in the program and such effect is novel and inventive (ie not obvious), a claim directed to that practical effect will be patentable ...

"Again I understand the Board to be using "technical process" as in paragraph 5 ie one which produces a practical or technical effect on the physical entity."

- 32 Mr Butler submitted that the problem to be solved was to devise a process whereby legally compliant company formation documents, being technically correct for a large variety of company types could be manufactured practically by means of (a) a non-expert person desiring the documents (the User) interacting via his or her computer with a web server (or other networked server); and (b) the User then receiving the documents in electronic form on his or her computer from the server with no human involvement at any stage in the process by a human (other than the User). He argued that this was a fundamentally technical problem, involving computer hardware to produce and deliver the end documents.
- 33 Mr Butler submitted that the invention also made a technical contribution through incorporation of a "pre-save" algorithm, whereby the save function could be triggered at the beginning of the process, contrary to the conventional approach which is to trigger a save only after the user has inputted data. He also drew my attention to the complex algorithm that enabled the required information to be elicited with minimal duplication. He also submitted that the invention was distinguished from *IBM's Application* (T 52/85) in that the outputted documents had a value that was greater than the information they contained and that they were more than just a vehicle for the information. He said that the output had a functional purpose and was not merely information or merely abstract in nature.

Decision

- 34 I have to say that Mr Butler's arguments have caused me a great deal of difficulty. Quoting from the hearing transcript, he argued, "[the system] does not stand in for a human expert and answer questions and give advice or suggestions. It is not the mental process of going up to something and saying 'What do I need?' and being told, 'This is what you need'." He then went on to say, "It is going up and saying, 'I want to do something – form a company' and you are asked questions, and then your answers are stored, and then you are produced with the documents. It is not the same at all." I have tried my utmost but I simply cannot see that the method is other than a computer system programmed in such a way as to provide a guided question session in response to answers given by a user and to then provide expert advice to the user in the sense of generating the required documents in an electronic format.
- 35 The application discusses the shortcomings of conventional methods of creating a corporate

entity which either rely on the involvement of a professional service provider or, if carried out by a lay person, involve an element of risk due to a lack of understanding of the legalities. The solution proposed by the invention is to automate that process. The effect achieved by the invention is to enable members of the public to generate the necessary legally compliant documents without recourse to a legal “expert” and without having to pay his fees. Additionally, legal practitioners or corporate entity providers themselves can use the application program, possibly with the help of lesser qualified and therefore lower paid employees, thereby saving overheads and either increasing their profit, or lowering their prices and increasing their ability to compete.

- 36 Whilst there may be economic benefits and reduced risks in computerizing the production of these legal documents, I do not consider that problem to be a technical one. It is a problem which I consider to be a business or administrative problem and it is solved by providing an automated tool to stand in for a legal expert. Whilst these outcomes may all be highly desirable, desirability is not the test an invention must pass to avoid the exclusions. However desirable it may be, I can see no technical contribution provided by the invention. This issue was also considered by the Court of Appeal in relation to the *Fujitsu* application I referred to earlier. In his decision on that application, Aldous LJ said at page 618:

“Mr Birss is right that a computer set up according to the teaching in the patent application provides a new tool... which avoids labour and error. But those are just the sort of advantages that are obtained by the use of a computer program. Thus the fact that the patent application provides a new tool does not solve the question of whether the application consists of a program for a computer as such or whether it is a program for a computer with a technical contribution.”

- 37 Amendments made to the claims have overcome the novelty and inventive step objections raised by the examiner and I am satisfied that the invention provides Aldous LJ’s “new tool”. However, as outlined above, the Court of Appeal has given clear guidance that a new tool which merely reduces cost and labour and mitigates error does not necessarily make a technical contribution. I agree that the organisation and operation of the claimed computer system can be described as “technical” but this is not the same as saying that there is a “technical contribution”. In the absence of any indication in the specification to the contrary, I conclude that the hardware employed to implement the invention is entirely conventional and in itself cannot make the required technical contribution.
- 38 Furthermore, I do not agree with Mr Butler that the steps of (i) configuring the data processor to determine which document templates are required, (ii) accessing user input data stored in a database and (iii) merging those templates with the user’s answers to generate the legal documents required makes a technical contribution. Although they are “technical” in the sense that they are carried out by technical means within the computer, I consider these programming steps and the interrelationships between them to follow on naturally from the automation process.
- 39 I think I need to say something about Mr Butler’s submissions on *Sohei*. The Board of Appeal said at paragraph 3.7

“...However, the implementation in the claimed system and by the claimed method of the said ‘interface’ in the form of the said ‘transfer slip’ is not merely an act of programming but rather concerns a stage of activities involving technical considerations to be carried out before programming can start”.

40 Mr Butler argued that setting out to provide a program to produce the end documents involved technical considerations as to how to go about it and he saw this as providing the necessary technical contribution. However, any computer programming activity requires thought and analysis of how to go about it and, if I were to accept Mr Butler’s argument that this involves technical considerations, then any computer program would be patentable. This clearly cannot be right.

41 Whilst it is true that the invention involves technical means and results in a functional, technically correct end product, I am simply not persuaded that the claimed invention provides the required technical contribution. It is my considered opinion, based on the evidence available, that what the invention does is automate what was previously done manually ie through a user employing the services of a legal expert. Any efficiency savings follow on naturally and directly from this automation. As I have stated above, the case law teaches us that simply using a computer to automate what was previously done manually is not enough for an invention to be said to make a technical contribution. There is nothing in the specification to suggest that anything other than conventional hardware, programmed in a conventional way, is used in realizing the invention. Consequently, I must conclude that the claimed invention fails to provide the necessary technical contribution.

Conclusion

42 I therefore find that the application relates to a method for doing business and a program for a computer as such. Insofar as the invention is considered to involve the automation of what was previously done manually, I also find it to be excluded from patentability as a method for performing a mental act as such.

43 Although I have focused my consideration on the independent claims, I have carefully considered Mr Butler’s submissions but I can find nothing in the dependent claims, or indeed the rest of the specification, that would provide support for any patentable claim.

44 Accordingly I refuse the application under Section 18(3) on the grounds that the invention is excluded by Section 1(2)(c).

Appeal

45 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal must be lodged within 28 days.

MRS S E CHALMERS

Deputy Director acting for the Comptroller