# SLW INSTITUTE
# GLOBAL IP CONFERENCE
## with Advanced PCT Training | 2018

**Track II: European Patent Practices**

# Differences and Parallels in CII at the EPO and USPTO, post Alice

# Meet the Presenters

**Piers Blewett**

Principal Attorney, *Schwegman*

**John Collins**

UK Principal Attorney, *Schwegman*

SLW INSTITUTE
**GLOBAL IP CONFERENCE**
with Advanced PCT Training | 2018

# Introduction

- The US position

- The challenges ahead

- Is the US heading towards a European approach?

- What tips can US attorneys pick up from EPO practice?

# 35 USC § 101 and Exceptions

▪ Title 35 U.S. C. §101 states:

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title."

▪ Judicially created exceptions:

  ▪ "Laws of nature, natural phenomena and abstract ideas" are excluded from patent eligibility.

    *- Diamond v Diehr, 450 U.S. 175, 191 (1981)*

# Supreme Court ruling in *Alice Corp v CLS Bank (2014)*

- Fed. Circuit decision was a divided plurality decision
- Concern of the plurality was that the claim in *Alice* would preempt the underlying "abstract idea" of "escrow settlement"
  - Identify the idea supposedly at risk of preemption
  - Determine if the steps combined with the abstract idea are so insignificant, conventional, and routine that effectively cover the abstract idea itself
  - But how does this test work?

# Supreme Court ruling in *Alice Corp v CLS Bank* (2014)

- Four-judge patent-eligibility analysis focused on whether the claim as a whole was limited to an **application** of an abstract idea, or was ***merely a recitation*** of the abstract idea

- If the claim is directed to a ***computer-implemented*** idea isn't it inherently limited to an application of the abstract idea?

- Judge Newman dissented in part – under §101 she would have held the claims **patent eligible** – she seeks §101 clarification

# Parallel between Judge Newman and EPO approach

- EPO follows Newman's approach (is more similar)
- *Alice* claims would have been rejected under A.56
- Both US and EPO agree that taking an **old concept and using a computer to automate it without solving a technical hurdle in the process would not justify patent grant**
    - Patents are not like copyrights – they do not reward different expressions of an old idea
- US and EPO **diverge in the approach**

# *US Supreme Court -the New US Landscape*

- Two part analysis for patent-eligibility
    1. Determine whether the claim is directed to an abstract idea
    2. If an abstract idea is present are there any elements that amount to <u>significantly more</u> than the abstract idea itself

- A generic computer and its application is not "significantly more"

# Directed to an abstract idea means what exactly???

- Isn't it true that all inventions encompass abstract ideas at some level?

- Levels of abstraction – what level is appropriate?
  - Did we claim a method of intermediary settlement?
  - Or, ........something more detailed?

# Directed to an abstract idea means what???

- "A method of exchanging obligations as between parties, each party holding a credit record and a debit record with an exchange institution, the credit records and debit records for exchange of predetermined obligations, the method comprising the steps of:

- (a) creating a shadow credit record and a shadow debit record for each stakeholder party to be held independently by a supervisory institution from the exchange institutions;

- (b) obtaining from each exchange institution a start-of-day balance for each shadow credit record and shadow debit record;

- (c) for every transaction resulting in an exchange obligation, the supervisory institution adjusting each respective party's shadow credit record or shadow debit record, allowing only these transactions that do not result in the value of the shadow debit record being less than the value of the shadow credit record at any time, each said adjustment taking place in chronological order, and

- (d) at the end-of-day, the supervisory institution instructing on[e] of the exchange institutions to exchange credits or debits to the credit record and debit record of the respective parties in accordance with the adjustments of the said permitted transactions, the credits and debits being irrevocable, time invariant obligations placed on the exchange institutions"

SLW INSTITUTE
GLOBAL IP CONFERENCE
with Advanced PCT Training | 2018

# How abstract is abstract?

- Examiners, sanctioned by *Alice*, dissect a claim, take a single phrase or limitation from the claim, and label the claims as directed to that single phrase/limitation

- Step 1 of *Alice* leads to Examiners breeding significant number of "abstract ideas" classes

- Classification of claims under Examiner-bred abstract ideas leads to
  - Semantic morass
  - Confusion and frustration

# USPTO Subject Matter Eligibility Guidance

- December 2014 interim guidance on patent subject matter eligibility

- July 2015 update on subject matter eligibility (Included examples)
  May 2016 subject matter eligibility update (more examples and guidance to examiners)

- Memoranda on recent subject matter eligibility

- December 2016 business method example update


- *https://www.uspto.gov/patent/laws-and-regulations/examination-policy/subject-matter-eligibility-examination-guidance-date*

# Semantic morass of abstract ideas classes

## "An Idea 'Of Itself'" – MPEP 2106.04(a)(2) Part (III)

**A. Concepts Relating To Data Comparisons That Can Be Performed Mentally Or Are Analogous To Human Mental Work**

- Anonymous loan shopping (*Mortgage Grader*)
- Collecting and comparing known information (*Classen*)
- Comparing data to determine a risk level (*Perkin-Elmer*)†
- Comparing information regarding a sample or test subject to a control or target data (*Ambry/Myriad CAFC*)
- Comparing new and stored information and using rules to identify options (*Smartgene*)†
- Diagnosing an abnormal condition by performing clinical tests and thinking about the results (*Grams*)
- Obtaining and comparing intangible data (*CyberSource*)

**B. Concepts Relating To Organizing Or Analyzing Information In A Way That Can Be Performed Mentally Or Is Analogous To Human Mental Work**

- Collecting and analyzing information to detect misuse and notifying a user when misuse is detected (*FairWarning*)
- Collecting, displaying, and manipulating data (*Int. Ventures v. Cap One Financial*)
- Collecting information, analyzing it, and displaying certain results of the collection and analysis (*Electric Power Group; West View*†)
- Collection, storage, and recognition of data (*Smart Systems Innovations*)
- Creating an index, and using that index to search for and retrieve data (*Int. Ventures v. Erie Indemnity I: '434 patent*)
- Data recognition and storage (*Content Extraction*)
- Determining a price, using organizational and product group hierarchies (*Versata*)
- Encoding and decoding image data (*RecogniCorp*)
- Identification of unwanted files in a particular field (*Int. Ventures v. Erie Indemnity II*) †

- Mental process for logic circuit design (*Synopsys*)
- Organizing and manipulating information through mathematical correlations (*Digitech*)
- Parsing and comparing data (*Berkheimer*)
- Relaying mailing address data (*Return Mail*)
- Retaining information in navigation of online forms (*Internet Patents*)
- Storing, gathering, and analyzing data (*TDE Petroleum*)†
- Using categories to organize, store and transmit information (*Cyberfone*)†

**C. Concepts Described As Ideas Having No Particular Concrete Or Tangible Form**

- Assigning hair designs to balance head shape (*Brown*)†
- Determining a price, using organizational and product group hierarchies (*Versata*)
- Displaying an advertisement in exchange for access to copyrighted media (*Ultramercial*)

**D. Other Concepts**

- Delivering user-selected media content to portable devices (*Affinity Labs v. Amazon.com*)
- Gathering financial information of potential borrowers (*Clarilogic*)†
- Generating a second menu from a first menu and sending the second menu to another location (*Ameranth*)
- Migration or transitioning of settings (*Tranxition*)†
- Providing out-of-region access to regional broadcast content (*Affinity Labs. v. DirecTV*)
- Providing restricted access to resources (*Prism Techs.*) †
- Remotely accessing and retrieving user-specified information (*Int. Ventures v. Erie Indemnity I: '002 patent*)

13

# Semantic morass of abstract ideas classes

## "Certain Methods of Organizing Human Activity" – MPEP 2106.04(a)(2) Part (II)

**A. Concepts Relating To Managing Relationships Or Transactions Between People, Or Satisfying Or Avoiding A Legal Obligation**

- Arbitration (*Comiskey*)
- Creating a contractual relationship (*BuySAFE*)
- Generating rule-based tasks for processing an insurance claim (*Accenture*)
- Hedging (*Bilski* claims 1-3 & 9)
- Managing a stable value protected life insurance policy (*Bancorp*)
- Mitigating settlement risk (*Alice*)
- Processing loan information (*Dealertrack*)
- Tax-free investing (*Fort Properties*)

**B. Concepts Relating To Advertising, Marketing, & Sales Activities Or Behaviors**

- Generating menus on a computer (*Ameranth*)
- Structuring a sales force or marketing company (*Ferguson*)
- Using advertising as an exchange or currency (*Ultramercial*)
- Using an algorithm for determining the optimal number of visits by a business representative to a client (*Maucorps*)

**C. Concepts Relating To Managing Human Behavior**

- Budgeting (*Int. Ventures v. Cap One Bank* '137 patent)
- Filtering content (*BASCOM*)
- Managing a game of bingo (*Planet Bingo*)†
- Mental process that a neurologist should follow when testing a patient for nervous system malfunctions (*Meyer*)

**D. Concepts Relating To Tracking or Organizing Information**

- Billing insurance companies and organizing patient health information (*Salwan*)†
- Cataloging labor data (*Shortridge*)†
- Collecting and organizing information about available real estate properties and displaying this information on a digital map that can be manipulated by the user (*Move v. Real Estate Alliance*)†
- Classifying and storing digital images in an organized manner (*TLI Comms.*)

- Collecting information, analyzing it, and displaying certain results of the collection and analysis (*Electric Power Group*)
- Collecting, transmitting, analyzing, & storing data to detect fraudulent and/or invalid clicks based on the time between two requests by the same device or client (*Ziuli v. Google*) †
- Creating an index, and using that index to search for and retrieve data (*Int. Ventures v. Erie Indemnity I*: '434 patent)
- Encoding and decoding image data (*RecogniCorp*)
- Filtering content (*BASCOM*)
- Identification of unwanted files in a particular field (*Int. Ventures v. Erie Indemnity II*) †
- Measuring delivery of real-time information for commercial purposes (*Two-Way Media* '686 patent)
- Monitoring delivery of real-time information to users (*Two-Way Media* '622 patent)
- Organizing and manipulating information through mathematical correlations (*Digitech*)
- Parsing and comparing data (*Berkheimer*)
- Providing a vehicle valuation through the collection and use of vehicle information (*Audatex N. America*)†
- Receiving, authenticating, and publishing data (*Easyweb Innovations*)†
- Receiving, screening, and distributing e-mail (*Int. Ventures v. Symantec* '050 patent)
- Selecting and sorting information by user interest or subject matter (*Evolutionary Intelligence*)†
- Sending information, directing sent information, and monitoring and accumulating records about receipt of sent information (*Two-Way Media* '187 and '005 patents)
- Tailoring content based on information about the user (*Int. Ventures v. Cap One Bank* '382 patent)
- Using a marking affixed to the outside of a mail object to communicate information about the mail object (*Secured Mail Solutions*)

**E. Other Concepts**

- Relaying mailing address data (*Return Mail*)
- Testing operators of any kind of moving equipment for any kind of physical or mental impairment (*Vehicle Intelligence*)†
- Virus screening (*Int. Ventures v. Symantec* '610 patent)

# Semantic morass of abstract ideas classes

## "Fundamental Economic Practices" – MPEP 2106.04(a)(2) Part (I)

**A. Concepts Relating To Agreements Between People Or Performance Of Financial Transactions**

- Billing insurance companies and organizing patient health information (*Salwan*)+
- Conditioning and controlling access to data based on payment (*Smartflash*)+
- Coordinating loans (*LendingTree*)+
- Creating a contractual relationship (*BuySAFE*)
- Hedging (*Bilski* claims 1-3 & 9)
- Local processing of payments for remotely purchased goods (*Inventor Holdings*)

- Offer-based price optimization (*OIP Tech*)
- Processing an application for financing a purchase (*Credit Acceptance*)
- Rules for conducting a wagering game (*Smith*)

**B. Concepts Relating To Mitigating Risks**

- Financial instruments that are designed to protect against the risk of investing in financial instruments (*Chorna*)+
- Mitigating settlement risk (*Alice*)
- Hedging (*Bilski* claims 1-3 & 9)

## "Mathematical Relationships / Formulas" – MPEP 2106.04(a)(2) Part (IV)

**A. Concepts Relating To Mathematical Relationships Or Formulas**

- The Arrhenius equation (*Diehr*)
- An algorithm for converting binary coded decimal to pure binary (*Benson*)
- An algorithm for calculating and comparing regions in space (*Coffelt*)+
- A formula describing certain electromagnetic standing wave phenomena (*Mackay Radio*)
- A formula for computing an alarm limit (*Flook*)
- A mathematical formula for hedging (*Bilski* claims 4-8, 10, 11)

**B. Concepts Relating To Performing Mathematical Calculations**

- An algorithm for calculating parameters indicating an abnormal condition (*Grams*)
- Calculating the difference between local and average data values (*Abele*)
- Managing a stable value protected life insurance policy (*Bancorp*)
- Organizing and manipulating information through mathematical correlations (*Digitech*)
- Using an algorithm for determining the optimal number of visits by a business representative to a client (*Maucorps*)

# Decisions Holding Claims Eligible

## Claims eligible in Step 2A

### Claim is not directed to an **abstract idea**

- - -

See MPEP 2106.04(a), 2106.04(a)(1) and 2106.06(b)

- *Core Wireless*
  (GUI for mobile devices that displays commonly accessed data on main menu)
- *DDR Holdings*
  (matching website "look and feel")
  see Example 2
- *Enfish*
  (self-referential data table)
- *Finjan v. Blue Coat Sys.*
  (virus scan that generates a security profile identifying both hostile and potentially hostile operations)
- *McRO*
  (rules for lip sync and facial expression animation)
- *Thales Visionix*
  (using sensors to more efficiently track an object on a moving platform)
- *Trading Tech. v. CQG* †
  (GUI that prevents order entry at a changed price)
- *Visual Memory*
  (enhanced computer memory system)

### Claim is not directed to a **law of nature** or **natural phenomenon**

- - -

See MPEP 2106.04(b)

- *Eibel Process*
  (gravity-fed paper machine)
  see Example 32
- *Rapid Lit. Mgmt. v. CellzDirect*
  (cryopreserving liver cells)
- *Tilghman*
  (method of hydrolyzing fat)
  see Example 33

### Claim is not directed to a **product of nature** (because the claimed nature-based product has markedly different characteristics)

- - -

See MPEP 2106.04(c)

- *Chakrabarty*
  (genetically modified bacterium)
  see Example 13 (NBP-5)
- *Myriad*
  (cDNA with modified nucleotide sequence)
  see Example 15 (NBP-7)

# Decisions Holding Claims Eligible

## Claims eligible in Step 2B

(claim as a whole amounts to significantly more than the recited judicial exception, i.e., the claim recites an inventive concept)

- - -

See MPEP 2106.05 and 2106.05(a) through (h)

- *Abele*
  (tomographic scanning)

- *Amdocs*
  (field enhancement in distributed network)

- *BASCOM*
  (filtering Internet content)
  see Example 34

- *Classen*
  (processing data about vaccination schedules & then vaccinating)

- *Diehr*
  (rubber manufacturing)
  see Example 25

- *Exergen v. Kaz* †
  (measuring core body temperature)

- *Mackay Radio*
  (antenna)

- *Myriad CAFC*
  (screening method using transformed cells)

- *RCT*
  (digital image processing)
  see Example 3

- *SiRF Tech*
  (GPS system)
  see Example 4

# "Significantly more" than abstract means what exactly??

- More structures, particular technological environment/stack, language?

- "Significantly more" than prior art?
  - Merging of subject matter-eligibility analysis under 101 with novelty (102) and non-obviousness (103)

- USPTO results based on the *Alice* test:
  - Claims being rejected under 101 but not under 102/103 =>
  - Non-obvious abstract ideas??

# US Court Decisions

- The Courts are increasingly looking for an improvement in technology in the assessment of whether claims are abstract and contain "significantly more".

# US Court Decisions- Eligible Subject Matter <mark>(Under Part 1)</mark>

- Visual Memory (Visual Memory LLC v. Nvidia Corp. __ F,3d __ (Fed Cir. 2017) CAFC Appeal No. 16-2254)
  - Improvements in computer technology;
  - A technological improvement: an enhanced computer memory system;
  - Claims demonstrates that they are directed to an improved computer memory system, not to the abstract idea of categorical data storage

- McRO (McRO, Inc. v. Bandai Namco Games America Inc. 837 F.3d 1299, 120 U.S.P.Q.2d 1091 (Fed. Cir. 2016))
  - Claimed process is technological;
  - Improvement in a technology or technical field;
  - Employs specific types of rules and uses those rules in specific technological way

- DDR Holdings (DDR Holdings, LLC v. Hotels.com, L.P. 773 F.3d 1245, 113 U.S.P.Q.2d 1097 (Fed. Cir. 2014))
  - Particular technological environment of the Internet;
  - Necessary rooted in computer technology in order to overcome a problem specifically arising in the realm of computer technology

- Enfish (Enfish LLC v. Microsoft Corp. 822 F.3d 1327, 118 U.S.P.Q.2d 1684 (Fed. Cir. 2016))
  - Improving exiting technological process;
  - Improvements in computer-related technology

- Trading Tech (Trading Technologies International, Inc. v. CQG, Inc., Decision of District Court for the Northern District of Illinois, Eastern Division, Feb 2015)
  - Necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computers

- Core Wireless (Core Wireless Licensing S.A.R.L. v. LG Electronics, Inc. (Case Nos. 2016-2684 and 2017-1922), decided January 25, 2018)
  - In *Core Wireless*, at the first step of the Alice/Mayo inquiry, the Court determined that "[t]he asserted claims in this case are directed to an improved user interface, not to the abstract idea of an index

# US Court Decisions- Eligible Subject Matter <mark>(Under Part 2)</mark>

- ## Amdocs (Amdocs (Israel) Ltd. v. Openet Telecom, Inc. 841 F.3d 1288, 120 U.S.P.Q.2d 1288 (Fed. Cir. 2016))
  - This claim entails an unconventional <u>technological solution </u>(enhancing data in a distributed fashion) to a <u>technological problem </u>(massive record flows which previously required massive databases)

- ## BASCOM (Bascom Global Internet Services, Inc. v. AT&T Mobility LLC 827 F.3d 1341, 119 U.S.P.Q.2d 1236 (Fed Cir. 2016))
  - Improve an existing <u>technological</u> process;
  - The claimed invention is able to provide individually customizable filtering at the remote ISP server by taking advantage of the <u>technical</u> capability of certain communication network;

- ## Electronic Power Group (Electric Power Group, LLC v. Alstom S.A. (Fed. Cir. 2016)
  - Though lengthy and numerous, the claims do not go beyond requiring the collection, analysis, and display of available information in a particular field, stating those functions in general terms, without limiting them to technical means for performing the functions that are arguably an advance over <u>conventional computer and network technology</u>

- ## Content Extraction (Content Extraction and Transmission LLC v. Wells Fargo Bank, N.A. 776 F.3d 1343, 113 U.S.P.Q.2d 1354 (Fed. Cir. 2014))
  - asserted patents are drawn to the abstract idea of 1) collecting data, 2) recognizing certain data within the collected data set, and 3) storing that recognized data in a memory. The concept of data collection, recognition, and storage is undisputedly well-known
  - The claims merely recite the use of this <u>existing scanning and processing technology </u>to recognize and store data from specific data fields such as amounts, addresses, and dates. There is <u>no 'inventive concept</u>' in CET's use of a generic scanner and computer to perform well-understood, routine, and conventional activities commonly used in industry
  - even when construed in a manner most favorable to CET, none of CET's claims amount to "significantly more" than the abstract idea of extracting and storing data from hard copy documents using generic scanning and processing technology

# US Court Decisions- Ineligible Subject Matter

## <mark>"an idea of itself"</mark>

- **Alice** (Alice Corp. Pty. Ltd. v. CLS Bank Int'l 573 U.S. __, 134 S. Ct. 2347, 110 U.S.P.Q.2d 1976 (2014))
  - Claims simply recite the concept of intermediated settlement as performed by a generic computer;
  - Claims do not purport to improve the functioning of the computer itself or effect an <u>improvement in any other technology or technical field</u>;
  - An instruction to apply the abstract idea of intermediated settlement using some unspecified, generic computer is not "enough" to transform the abstract idea into a patent-eligible invention
  - No improvement of an existing <u>technological</u> process
  - Mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.

- **Mortgage Grader** (Mortgage Grader, Inc. v. First Choice Loan Services Inc. 811 F.3d 1314, 117 U.S.P.Q.2d 1693 (Fed. Cir. 2016))
  - Nothing in the asserted claims "purport[s] to improve the functioning of the computer itself" or "effect an improvement in any other <u>technology or technical field</u>"
  - The claims are not adequately tied to "a particular machine or apparatus."
  - Claims "add" only generic computer components such as an "interface," "network," and "database." These generic computer components do not satisfy the <u>inventive concept</u> requirement

# US Court Decisions- Ineligible Subject Matter

## <mark>"an idea of itself"</mark>

- **Fairwarning IP** (FairWarning IP, LLC v. Iatric Systems 839 F.3d 1089, 120 U.S.P.Q.2d 1293 (Fed. Cir. 2016))
  - claims here are directed to collecting and analyzing information to detect misuse and notifying a user when misuse is detected
  - claims merely implement an old practice in a new environment
  - claims require the use of a computer, it is this incorporation of a computer, not the claimed rule, that purportedly "improve[s] [the] existing technological process" by allowing the automation of further tasks
  - The claims here do not propose a solution or overcome a problem "specifically arising in the realm of computer [technology]."

- **Int. Ventures v. Cap One Financial** (Intellectual Ventures I LLC v. Capital One Bank (USA) 793 F.3d 1363, 115 U.S.P.Q.2d 1636 (Fed. Cir. 2015))
  - at best, this limits the invention to a technological environment for which to apply the underlying abstract concept. But such limitations do not make an abstract concept any less abstract under step one
  - Although these data structures add a degree of particularity to the claims, the underlying concept embodied by the limitations merely encompasses the abstract idea itself of organizing, displaying, and manipulating data of particular documents
  - the MRTs and PRTs—although technical sounding—include generic data types for which the system can store the extracted data

SLW INSTITUTE
**GLOBAL IP CONFERENCE**
with Advanced PCT Training | 2018

# *The Challenges Ahead*

- The decisions of the US courts give no clear guidance – "no single, succinct, usable definition or test"

- What is "significantly more"?
  - Improvements to another <u>technology</u> or <u>technical field</u>
  - Improvements to the functioning of the computer itself (<u>*computer 'technology'*</u>)
  - "<u>Meaningful limitations</u>" beyond merely linking the use of an abstract idea to a particular technological environment (???)

- Can assistance be found in the EPO approach?

# Technical  v  Abstract

*My hypothesis:*

AN INVENTION THAT CAN PASS THE EPO TEST IS PATENTABLE IN THE USPTO

# The EPO Approach

- Excluded subject matter: Does the invention involve technical means? If not it is excluded under Art 52 . (A mere mention of a computer is enough)

- Novelty: Identify the closest prior art. What are the differences between the invention and the prior art? If none, not novel under Art 54.

- Inventive step: The technical problem/solution approach

# The EPO Technical Problem/Solution Approach

- What is the problem addressed by these differences/the invention that is not addressed in the prior art. The 'objective technical problem'. Is this problem technical?

- The field of the person who would be concerned with the problem should be identified. Is the field a technical field?

- Non-technical features cannot form part of the technical solution, are disregarded and are deemed given to a skilled person attempting to solve the technical problem.

- If the cognitive input of the user is required, not technical (the 'broken technical effect')

- If no technical solution, the claimed invention is not inventive

# The EPO Approach

- Patents for all inventions in the EPO require details of the technical implementation and the claims must claim the technical features required to provide a '**technical solution**' to a "**technical problem**"

- A question to ask yourself to determine whether the problem being addressed is technical is "**Who is the skilled person addressing the problem?** What is their required skill level and what is their job title?"

- **Mere use of technology is not enough** if the novelty lies in the business or administrative scheme. The problem was solved by the business or administrative person who then instructed a programmer to write the code to implement the process in a computer. The programmer did not make any inventive contribution – or did they?

# Applying the EPO approach to Alice

- "A data processing system to enable the exchange of an obligation between parties"

- The problem being addressed relates to intermediated settlement – the use of a third party to reduce settlement risk in a financial transaction system. Reducing financial risk is a business problem and the solution is a new financial or business process implemented on a computer system.

- The technology itself is not new. There is no symbiotic relationship or interaction between the non-technical process and the technology that solves any technical problem. The implementation in technology is straightforward
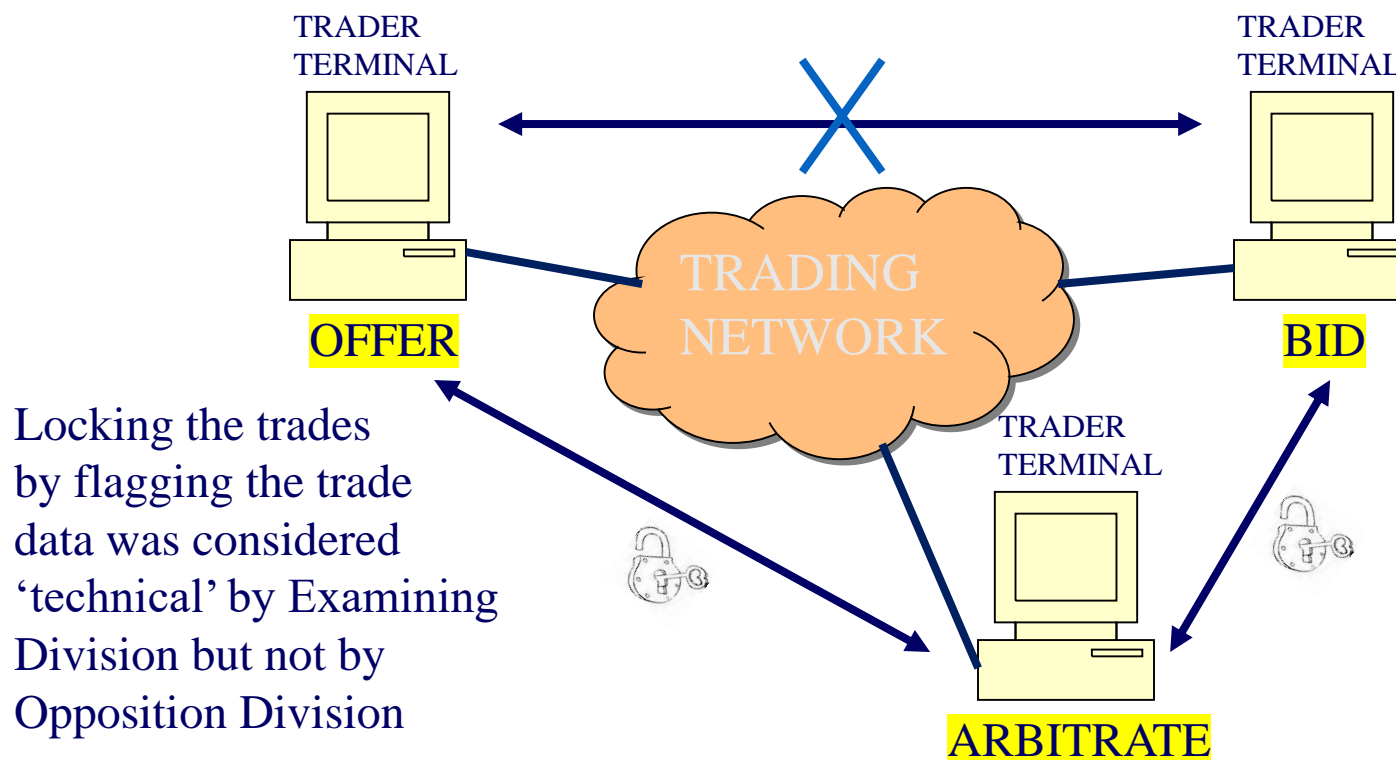
# Technical Invention Spotting

- Inventions using computer technology can be described at different levels (rather like the OSI model)

    - At a high level - the overall functionality

    - At the lowest level – the actual code

- Often the highest level is 'not technical'

- Usually the lowest level is too narrow

- The goal is to try to identify some use of the technology at an intermediate level that is important to the implementation of the method in technology

- To spot a technical invention and draft a technical specification you need to **think technical**

# Example: An Electronic Trading System

**European Patent No. 0873549**

TRADER TERMINAL

TRADER TERMINAL

TRADING NETWORK

**OFFER**

**BID**

TRADER TERMINAL

Locking the trades by flagging the trade data was considered 'technical' by Examining Division but not by Opposition Division

**ARBITRATE**

# Warning

Hypothesis

You can make patentable inventions unpatentable by bad drafting

*but*

you cannot make unpatentable inventions patentable by good drafting

SLW INSTITUTE
GLOBAL IP CONFERENCE
with Advanced PCT Training | 2018

# Practical aspects

- If you think 'technical problem' when drafting the description and claims this will draw in technical features

- Think like a computer scientist or programmer. Describe the operation of the process in a disciplined manner from the perspective of the computer

- Computers do not "recognise", or understand "relevance". They do not know what is "suitable" or process "funds" or "credit". These are human or business terms

- Computers receive data, process data, store data and, output data

# Drafting Tips

- Describe at high level and lower levels:
  - Structure
  - Function

- Structure includes:
  - Hardware
  - Software
  - Data

- Function includes:
  - Hardware operation and interconnection
  - Software operation and intercommunication
  - Data use in each of the above (remember data and not "funds" or "credit")

# Drafting Tips

- There is no shortcuts to writing a "technical" "Alice Proof" patent specification

- Use of boilerplate computer text and drawings are an indicator that the computer technology is not significant to the invention

- I suggest that relying on incorporation by reference for technical subject matter is also likely to indicate the lack of significance of the subject matter to the invention

# Questions?



**Piers Blewett**

pblewett@slwip.com



**John Collins**

jcollins@slwip.com

SLW INSTITUTE
**GLOBAL IP CONFERENCE**
with Advanced PCT Training | 2018