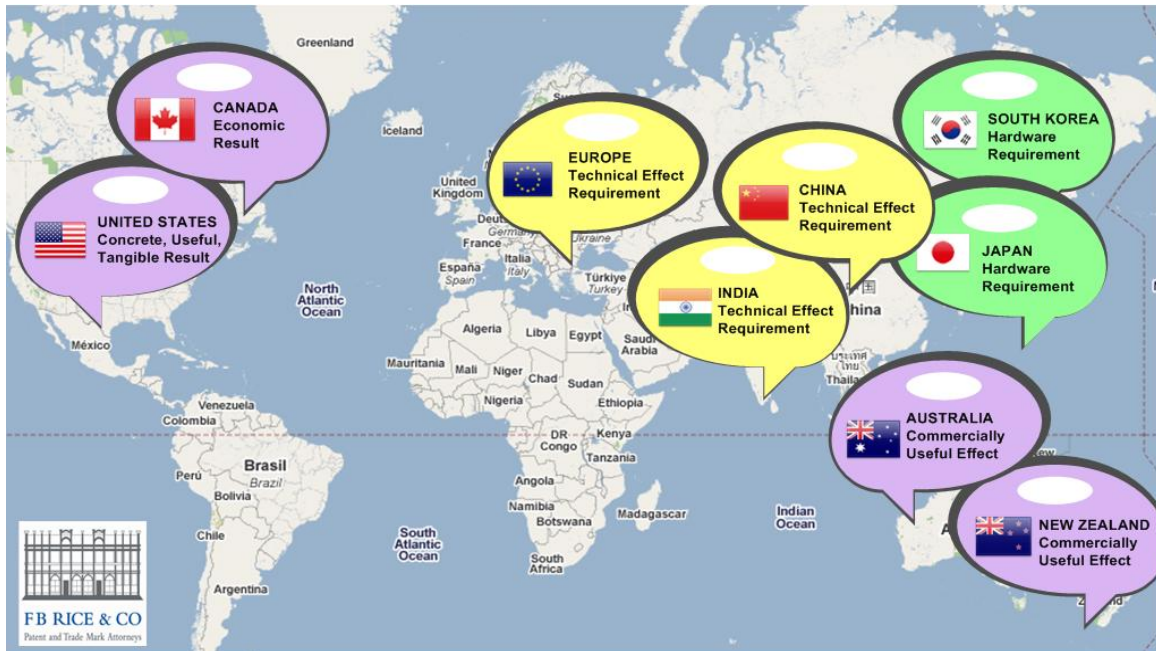


SOFTWARE AND BUSINESS METHOD PATENTS: NOT A PROBLEM!

Siew-Lee Hew

APPENDICES



Patentability requirements in regards to software and business methods can be categorised into:

- Group I: Economic Utility Requirement in Australia, New Zealand, Canada and the United States;
- Group II: Hardware Requirement in Japan and South Korea; and
- Group III: Technical Effect Requirement in Europe, China and India.

GROUP I: ECONOMIC UTILITY REQUIREMENT



AUSTRALIA

- **Patentable Subject Matter:** ✓

Software and business methods are patentable subject matter. The claimed invention must be "a mode or manner of achieving an end result that is an artificially created state of affairs of utility in the field of economic endeavour", in that it embodies a commercially useful effect. Mere schemes or plans remain unpatentable because they do not give rise to an artificially created state of affairs, in a sense of a concrete, tangible, physical or observable effect.

- **Technical Effect Requirement:** ✗

Inventive step may lie in non-technical features. In relation to business methods, both business aspects and technical aspects may contribute to inventiveness.

- **Hardware Requirement: ✘**

Permissible claim types are: method, system, computer medium, signal, data structure recorded on a computer-readable medium and computer program.

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NEW ZEALAND

- **Patentable Subject Matter: ✓**

Software and business methods are patentable subject matter. A patentable computer method must involve the use of a machine modified or programmed to operate in a new way to produce a new machine or process or an old machine giving a new and improved result; see Hughes Aircraft Company's Application (IPONZ, 3 May 1995). Mathematic processes are unpatentable if they do not involve interaction with a real entity or achieve a tangible product or result. For example, a method of wagering on a sporting event in George N Haddad's Application (IPONZ, 2 May 2000) was held to be not patentable for that reason.

- **Technical Effect Requirement: ✘**

Inventive step may lie in the non-technical features. In relation to business methods, both business aspects and technical aspects may contribute to inventiveness.

- **Hardware Requirement: ✘**

Permissible claim types are: method, system, computer medium, signal, data structure recorded on a computer-readable medium (see Microsoft Corporation's Application, IPONZ, 23 November 2006) and computer program.

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UNITED STATES

- **Patentable Subject Matter: ✓**

Software and business methods are patentable subject matter, as is "anything under the sun that is man made". The claimed invention must have "practical utility" and achieve "concrete, useful and tangible result" (see *State Street Bank v Signature Financial Group*, 149 F. 3d 1368 (Fed. Cir. 1998)). Abstract ideas, laws of nature and physical phenomena are considered to be intangible.

- **Technical Effect Requirement: ✘**

Inventive step may lie in the non-technical features. In relation to business methods, both business aspects and technical aspects may contribute to inventiveness.

- **Hardware Requirement: ✘**

Permissible claim types are: method, system, computer medium, data structure and software recorded on a computer-readable medium. Signal claims are not patentable as it is not a "process, machine, manufacture or composition of matter" (see *In re Nuijten* Fed Cir. Sept 20, 2007).

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CANADA

- **Patentable Subject Matter: ✓**

Software and business methods are patentable subject matter. The claimed invention must be one of the categories of "art" (method), "process" (method), "machine" (system or apparatus),

"manufacture" (computer medium) and produce an essentially economic result in relation to trade, commerce or industry. An invention may be a method for producing a vendible product or a method of using or operating an inventive "thing", or a known "thing" for an inventive new use.

- **Technical Effect Requirement:** ✘

Inventive step may lie in the non-technical features. In relation to business methods, both business features and technical features may contribute to an inventive step.

- **Hardware Requirement:** ✘

Permissible claim types are: method/process, system/apparatus, a computer medium embodying a computer program, data structure or computer instructions (the stored data must provide inventive functionality). Computer programs, data structure and signals per se are not patentable as they are not considered as a "process, machine, manufacture or composition of matter". However, business methods must be claimed with hardware implementation.

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GROUP II: HARDWARE REQUIREMENT



- **Patentable Subject Matter:** ✓

Software and business methods are patentable subject matter if they involve "a creation of technical ideas utilizing natural laws" and are "concretely realised using hardware resources". This means that patentable software and business methods must be implemented using a computer.

- **Technical Effect Requirement:** ✘

The invention must be considered as a whole and the inventive step may lie in the non-technical features. However, inventive step would be denied when the invention can be easily conceived through combining "publicly known" methods. For example, the application of a common technology to another specific field (e.g. creating a medical search system using a known file search techniques) and automation of manual tasks (e.g. receiving orders via the internet instead of by fax)

- **Hardware Requirement:** ✓

Permissible claim types are: method/process implemented using hardware; apparatus/system; computer readable medium storing a computer program or data structure. Signal claims are not patentable.

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- **Patentable Subject Matter:** ✓

Software and business methods are patentable subject matter. Patentable software and business methods must be "highly advanced creation of technical ideas utilising the laws of nature" within Article 2 of the Korean Patent Act and capable of achieving a specific purpose that has industrial applicability. A claim directed to software or business method must define "concrete means" or technical implementation using a computer. However, pure business methods with no concrete means and pure mathematical algorithms with no industrial applicability remain unpatentable.

- **Technical Effect Requirement:** ✘

Both technical and non-technical features may contribute to inventive step. In relation to business methods, both business features and technical features may contribute to inventiveness. However, a

conventional (business) method implemented using conventional technology remains unpatentable (see *Jinbo Network v Samsung Electronics*, Case No 2001huh942 (Feb 2003)).

- **Hardware Requirement:** ✓

Permissible claim types are: method/process implemented using hardware, system/apparatus, and computer-readable medium containing a computer program or data structure. Signal claims are not patentable.

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GROUP III: TECHNICAL EFFECT REQUIREMENT



EUROPE

- **Patentable Subject Matter:** ✓

Software and business methods *as such* are not patentable subject matter, unless they have some technical character and are directed to solve a technical problem pursuant to Rule 27(1)(c) of the European Patent Convention. Technical character is present when the invention solves a technical problem and technical considerations are required of a skilled addressee to implement the invention. For example, if a technical problem is concerned with a computer implementation of a business problem, the skilled person would be a software engineer, and not merely a business person.

- **Technical Effect Requirement:** ✓

An invention may comprise a mixture of technical and non-technical features, but only the technical features may contribute to inventiveness; see T0641/00 (*Comvik*) and T0931/95 (*Pension Benefit*). In other words, economic improvement does not contribute to inventive step.

- **Hardware Requirement:** ✗

Permissible claim types are: method/process, system/apparatus, computer-readable medium, data structure recorded on a computer-readable medium, computer program and signals.

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CHINA

- **Patentable Subject Matter:** ✓

Software and business methods are patentable subject matter as long as they provide a "new technical solution relating to a product, a process or improvement thereof". Computer software and business methods are patentable if they belong to a technical field, use technical means or laws of nature to resolve a technical problem and result in technical effects.

- **Technical Effect Requirement:** ✓

Non-technical features cannot contribute to inventiveness. The fields of finance, commerce and management are not considered to be technical and patentable business methods must be implemented using new and inventive technical features. According to the Examination Guidelines issued by State Intellectual Property Office (SIPO), methods and systems of conducting business are "rules and methods for mental activities".

- **Hardware Requirement:** ✗

Permissible claim types are: method/process, system/apparatus, and computer program.

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- **Patentable Subject Matter:** ✓

Software and business methods are patentable subject matter if the claimed invention has a technical character and solves a technical problem. Section 3(k) of the Indian Patents Act provides that "a mathematical or business method or a computer programme *per se* or algorithms" are not regarded as patentable inventions. Section 2(ja) further defines an inventive step as a feature of an invention that involves a technical advance as compared to existing knowledge or having economic significance, or both, and that makes the invention not obvious to a person skilled in the art.

- **Technical Effect Requirement:** ✓

Non-technical features or intellectual content cannot contribute to inventive step. For example, a hardware implementation performing a novel function is not patentable if that particular system is known or is obvious irrespective of the function performed (Indian Patent Office Examination Guidelines, 4.11.4).

- **Hardware Requirement:** ✓

Permissible claim types are: method/process (either implemented using a machine or relates to a technical process carried out under the control of a program using hardware or software) and apparatus/system. Computer program products, computer programs *per se*, data structure and signals are not patentable.

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