



BL O/146/06

8th June 2006

## PATENTS ACT 1977

APPLICANT	Dell Products LP
ISSUE	Whether patent application number GB0328177.1 relates to a patentable invention
HEARING OFFICER	B Westerman

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## DECISION

### Introduction

- 1 Patent application GB0328177.1, entitled "Method and system for information handling system consumables automated ordering", was filed on 4 December 2003, by Dell Products LP.
- 2 The application proceeded normally through the examination process. Throughout this process, the examiner objected consistently that he felt that the invention related to a method for doing business and/or to a program for a computer as such. In the first exchange prior art was cited alleged to demonstrate lack of inventive step, but this was not pursued in the later exchanges. The examiner and the applicant were not able, however, to agree as to whether the invention was patentable, and the applicant asked for a hearing.
- 3 After this request, the Patent Office adopted a new approach to assessing whether an invention relates to unpatentable subject matter. The new approach was explained in the Practice Notice<sup>1</sup>, issued on 29 July 2005, which reflects the approach adopted by Peter Prescott QC, sitting as a Deputy Judge, in his judgment in *CFPH*<sup>2</sup>. The examiner in his last letter explained the new reasoning and his opinion of how this applied to this application, and the applicant responded with submissions, ending by reiterating his request for a hearing if the examiner was not persuaded.
- 4 The matter therefore came before me on 30 May 2006, where Steven Howe and Heather Regan-Addis (both of the firm Lloyd Wise) appeared for the applicant. The examiner Philip Osman also attended.

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<sup>1</sup> "Patent Office Practice Notice: Patents Act 1977: Examining for patentability" – see <http://www.patent.gov.uk/patent/notices/examforpat.htm>

<sup>2</sup> *CFPH LLC's Application [2005] EWHC 1589 Pat*

## Background

- 5 The application is concerned with the supply of consumables, such as printer ink or paper, for a computer. The system of the invention, upon the level of a consumable reaching a predetermined value, sends a message to a remote server, to order more. The latest form of the claims includes a claim to a system, one to a method, and one to a method of manufacture of the system. I think I need do no more than quote the system claim, which gives the essence of the invention.
- “1. An information handling system comprising:
- one or more consumable-using devices;
- consumable request information with consumable preferences of the user;
- a consumable usage tracking module interfaced with the consumable-using devices and operable to track consumable usage by the consumable-using devices; and
- a consumable auto request module interfaced with the consumable usage tracking module and operable to automatically request consumables if consumable usage reaches a predetermined value by sending a service tag number to a distal server through a network, wherein the service tag number uniquely identifies the information handling system.”
- 6 As explained by Mr. Howe at the hearing, this is particularly advantageous in (but not restricted to) the context of the original sale of a computer system. Whilst the original system is being ordered over the network (e.g. the internet) a secure connection is established and personal information to do with delivery and payment is provided by the purchaser. By adding to this secure interchange the personal preferences about, for example, the amounts of consumable (e.g. number of replacement ink cartridges to be supplied at every order) the remote server can store this information. By identifying the user by a number (the “service tag number”), and then storing this in the auto request module of the computer that is delivered, subsequent receipt of the number alone over the network is sufficient to identify, amongst other things, the user, the shipping address, and the number of items to send, and removes the need to send sensitive financial information at every order.

## The Law

- 7 The examiner has take objection under section 1(2) of the Act, under the parts shown in bold below:

**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) 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 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.**

- 8 Peter Prescott QC, in his judgment in the *CFPH* case, provided a new test to be applied when determining whether an invention relates to unpatentable subject matter. At the hearing, Mr. Howe addressed me on the basis of this test. The test comprises the following two steps:

Identify what is the advance in the art that is said to be new and not obvious (and susceptible of industrial application).

Determine whether it is both new and not obvious (and susceptible of industrial application) under the description “an invention” in the sense of Article 52 of the European Patent Convention (EPC) – broadly corresponding to section 1 of the Patents Act 1977.

- 9 Mr. Howe also made reference to the decision in *Macrossan*<sup>3</sup> and to the Office decision in *Sun Microsystems*<sup>4</sup>, and I will return to these below.

**Argument**

- 10 Mr. Howe, in his submissions, focused on the substance of the invention, rather than the detailed wording of the claims. This is clearly the correct approach derived from the body of case law in this area. He also acknowledged that the correct approach in law was to follow the two-step *CFPH* test.
- 11 He indicated that in his view the crux of the invention was the use of the “service tag number”, and as I understood him, he presented the advance in the art as being the use of this in the ordering of consumables.
- 12 He contrasted the system of this invention with the prior art remote ordering which he says involves filling in a form and sending the information to the remote server, with various levels of automation at the user end, but fundamentally requiring personal and financial details to be passed at every

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<sup>3</sup> [2006] EWHC 705 (Ch)

<sup>4</sup> BL O/057/06

order. In the present system, these details are already held at the remote end and found in response to the service tag number. This is clearly a difference, and when I asked the examiner, he confirmed that the prior art available to him did not demonstrate lack of novelty.

- 13 Thus, Mr. Howe identified three advantages of the system, which he said argued for a patentable advance. Firstly, it avoids the need of establishing a secure connection at re-order; secondly, significantly less information is sent across the network, so requiring less band-width; and thirdly since the information about the identity of the consumable is recorded once and re-used, there is less chance of ordering the wrong replacement.
- 14 Taking this forward, he first addressed the issue as to whether this is a computer program as such. He referred to *Sun Microsystems* as a recent example of a case which shows that it is possible for something which might look like a computer program to be patentable if it extends further than just being a program as such. He submitted that the present system is not a computer program, but a technically superior method for transmitting the information and getting the information across. In saying this he was at pains to stress that it is not just the use of the computer that is important, but also the underlying method, the information that is being sent, the places where the information is stored, and the information that is stored. All of this happens to be implemented on a computer.
- 15 He then went on to refer to the “little man” test from the *CFPH* decision. He said that you could easily envisage the little man spotting that his ink was low, picking up the phone and quoting his service tag number. This, he said demonstrated that the computer in this context was acting just as a tool, and is therefore just happens to be implemented on a computer using it as a tool.
- 16 He then went on to discuss the business method objection. He characterized the invention as a tool (as referred to in the *Macrossan* decision) to help in performing business. He made it clear that, in his view, the application was an improved method for submitting an order, and does not relate to the entire process. As he put it “it is part of a business transaction, but itself is not a business method”. He described the business transaction as the ordering of replacements, where someone puts in an order, which is received, processed and the order sent out. He was at pains to stress that in his view the application was not intended to foreclose the idea of ordering consumables using a computer program, or to change the basic business process of order and supply.
- 17 Approaching this from a different viewpoint, he argued that storing information in particular areas, and transmitting this in a particular way affords effects which he described as technical – particularly the enhanced security and the decreased amount of data that needs to be transmitted.
- 18 Finally, he reminded me of the long-established principle that, at this stage of the life of a patent application, I should give the benefit of any doubt to the applicant.

- 19 He then alluded to those parts of the invention not currently encompassed within the claims. He explained that it was deliberate that the claims only extended to the user end of the system/process, although the remote processor was present at the manufacturer end. He explained that this was because of perceived difficulties in determining infringement of such a claim involving both ends, both of which are under the control of different people. He did, however, suggest that the applicant might consider redrafting to try to include this if it were felt to assist. He also mentioned that, were I to find against him, another way forward that the applicant might adopt is to redirect the invention to the manufacture of the computer in the sort of way that I explained in paragraph 6 of this decision.
- 20 Finally, I asked Mr. Howe to assist me by considering the actual decision of Mr. Prescott on the divisional application in *CFPH* (paragraphs 118 to 120 of that decision), which hinged on the bandwidth reduction advantage, and came to the conclusion that the manipulation of information is a method of doing business. Mr. Howe made the distinction that, in *CFPH*, the invention was to restrict the amount of information sent. He characterized the current invention as providing no less information, but in effect, compressing the information by use of the service tag, and deployment of stored information in the specified areas.

### **Decision**

- 21 I think it is clear, both from the application documents themselves, and what was said at the hearing, that the hardware and programming techniques employed in the invention are conventional. I conclude that any advance must reside in what the system has been programmed to do
- 22 Mr. Howe, in analyzing the application, sought to persuade me that the invention was concerned with a tool in the sense referred to in the *Macrossan* case, and not in the underlying business method which he acknowledges is the background against which the present improvement is embodied. I am convinced, however, that the advance in the art is in this business method as a whole, but done in a different way in detail. It does not seem to me to be sensible or appropriate in this case to divorce the steps of the invention from its context. Thus, in answer to the first step of the *CFPH* test, I find that the advance in the art is a computer-based system and method for ordering consumables which uses a "service tag" number as a message to the supplier to make a linkage to stored information at the supplier end of a network to reveal previously stored information about customer preferences. I must then go on to consider whether this satisfies the second step.
- 23 It is abundantly clear to me that the invention is about information and information flow. It is clearly to do with an aspect of business. The whole point of the invention is to run that part of the applicant's business so as to achieve a better way of selling consumables.
- 24 Mann J. in paragraph 30 of the *Macrossan* decision, quoted with approval a

paragraph from *Pensions Benefit Business Partnership*<sup>5</sup>, as assisting in a decision as to business method. In my view the steps in the advance of the present invention are all to do with “processing and producing information having purely administrative, actuarial and/or financial character”, in the words of the decision of the Technical Board, and thus the substance of the invention lies in a business method. Whilst the effect of the arrangement of information and the content of the message passed may indeed have the three effects mentioned by Mr. Howe, they all flow from the decisions as to what information to store where in conventional hardware. I find that the substance of the invention is thus a set of computer technology implementing a new scheme, rule or method for doing business as such.

- 25 I am clear that there are occasions where a computer program can be considered as being more than a program as such, for example as in the *Sun Microsystems* case. However, I am not convinced that this is the case for the present invention. The invention lies in the teaching as to where to store information, and how to access and communicate this to get the desired effect. This is achieved by standard programming on standard hardware.
- 26 Mr. Howe also took me to the “little man” test propounded by Peter Prescott QC in *CFPH*. Whilst that test might be appropriate in some circumstances, I am not convinced that this sits easily in a context where no external artefact or process is being operated or affected. To attempt to ascribe tool status for the program instructions where there is no such external artefact or process but only the generation of information seems to me to be stretching the analogy too far. I am therefore firmly of the opinion that the invention is a program for a computer as such.
- 27 However, even if I am wrong in this, I note the comment made by the Deputy Judge in paragraph 105 of his judgment, which says that for an invention which is about better rules for governing an artefact or industrial process:

“Of course, if it were about better rules for running a business, the idea would not be patentable”

In my view, this is exactly what the present invention is. The present invention is all about a program, and the end result is a set of information. The only use of this information is intellectual in nature and is only used to control a business activity.

- 28 I am also not persuaded that the invention, at least so far as bandwidth advantage is concerned, is different in principle from the decision in the *CFPH* case. Bandwidth in both this and the *CFPH* case is affected by the choice of information sent across the network. I do not agree with Mr. Howe’s characterization of the effect of the invention as a compression of data. This to my mind would give a gloss with technical overtones to the arrangement, which I do not consider is justified. All that is being done is that a number identifying a customer is used in the stead of the full data. Of course numbers identifying customers and linked to information about them are commonplace.

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<sup>5</sup> T931/95 EPO Technical Board of Appeal

In my view, in this invention there is clearly a selection and storing of business information and its flow to circumvent, rather than directly rectify, perceived technical and other problems.

- 29 As I have said above, Mr. Howe made two suggestions as to possible avenues for amendment should I find against the applicant, as I have. I have carefully considered these two suggestions, and indeed the entire content of the specification, but do not consider that there is any scope for amendment which would affect the substance of the invention which I have found above not to be patentable. In both of the suggestions, the proposals would still seem to me to rely on the different business information present to service the system/method.
- 30 In coming to these conclusions, I have firmly borne in mind the well-known enjoiner to allow the applicant the benefit of any doubt before refusing grant. I am, however, sure that this is a case where there is no real doubt.

### **Conclusion**

- 31 I have found that the application relates to a scheme, rule or method for doing business as such; and to a program for a computer as such. It is therefore not new and non obvious (and susceptible of industrial application) under the description "an invention" in the sense of Article 52, and is therefore not patentable. I have been unable to find anything which could form the basis of a patentable invention in the application. I therefore refuse the application under section 18 as failing to meet the patentability requirements of section 1.

### **Appeal**

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

**Bruce Westerman**  
Deputy Director acting for the Comptroller