

1 May 2008

PATENTS ACT 1977

APPLICANT Disney Enterprises Inc

ISSUE Whether patent application number GB
0523986.8 complies with section 1(2)

HEARING OFFICER R C Kennell

DECISION

- 1 This application results from the entry into the UK national phase of international application no. PCT/US2004/017547. This application was filed on 2 June 2004 claiming a priority of 2 June 2003 from an earlier US application, and was published under serial no. WO 2005/001613 on 6 January 2005. It has been reprinted under serial no. GB 2418506 A in the national phase.
- 2 The claims have been substantially amended during substantive examination in order to overcome objections of lack of novelty and inventive step and – although this was not raised until relatively late in the proceedings – that the invention was excluded from patentability by virtue of section 1(2) of the Act. The latter objection remains outstanding and a hearing was arranged to resolve it. However, the applicant has confirmed in its patent attorney's letter of 6 March 2008 that it will not be attending, and I am therefore deciding the matter on the basis of the papers on file.
- 3 The papers include further submissions dated 21 April 2008 which I had invited in view of the judgment of Patten J in *Symbian Ltd* [2008] EWHC 518 (Pat) on 18 March 2008, which I discuss in more detail below.

The invention

- 4 As the specification explains, television commerce based on set-top boxes has yet to take off (at least in the US) because of various technological limitations. However, given that companies welcome the favourable association which may come from the inclusion of their products in films, the invention provides a way of offering for sale products which are shown in a video. To this end it provides triggers corresponding to the points in the video at which the products are displayed; the triggers are capable of being recognised by a video playback

device, whereupon an indication is given that the product is available for purchase.

- 5 The present claims are to a relatively restricted embodiment of that broad concept. They include independent claims 1 and 7 to a method and apparatus respectively. Claim 1 reads:

“A method for use by a video disc player for offering a product shown in a video for purchase, the method comprising:
 examining a disc containing the video to determine whether the disc contains trigger data associated with the video;
 requesting the trigger data associated with the video from a remote server if the examining determines that the disc does not contain the trigger data associated with the video;
 downloading the trigger data associated with the video from the remote server using a network connection;
 storing the trigger data associated with the video in a memory of the video player, wherein at least one trigger data includes a time indicating when a trigger is to occur during the playing of the video on the disc, the at least one trigger corresponding to the display of a product shown in the video;
 displaying the video from the disc;
 displaying an indicator when the at least one trigger data is recognized to be displayed [*sic*] to indicate that the product displayed in the video is available for purchase; and
 providing a user interface configured to allow the user to select the product for purchase.” ;

and claim 7 is to a video disc player for offering a product shown in the video for purchase, comprising a processor and memory “adapted” to carry out the above steps.

The law and its interpretation

- 6 Section 1(2) reads:

“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.”

- 7 It is not disputed that the assessment of patentability under section 1(2) is now

governed by the judgment of the Court of Appeal in *Aerotel Ltd v Telco Holdings Ltd* and *Macrossan's Application* [2006] EWCA Civ 1371, [2007] RPC 7 (hereinafter "*Aerotel*"). In this case the court reviewed the case law on the interpretation of section 1(2) and approved a four-step test for the assessment of patentability, namely:

- 1) Properly construe the claim
- 2) Identify the actual contribution (although at the application stage this might have to be the alleged contribution)
- 3) Ask whether it falls solely within the excluded matter
- 4) Check whether the actual or alleged contribution is actually technical in nature.

8 The operation of the test is explained at paragraphs 40-48 of the judgment. In the present case, paragraph 43 defining how the contribution is to be assessed and paragraphs 46-47 concerning the operation of the final check for technical effect are of particular significance and I refer to them in more detail below.

Argument and analysis

9 Despite argument from the applicant as to the technical nature of the contribution made by the invention, the examiner in his letter of 18 January 2008 (the final substantive item of correspondence to date) has maintained that on a correct application of the *Aerotel* test the contribution falls solely within the excluded areas of computer programs and business methods. To that test I now turn.

Step 1 – construction of the claims

10 Without finding claims 1 and 7 unclear, the examiner nevertheless notes that they are somewhat oddly worded because they specify what happens only if the trigger data cannot be found – but not what happens if it is found. This could perhaps be better worded, but I do not think it will hinder my assessment of the contribution of the invention in the second step.

11 The examiner has also noted that the wording “to be displayed” (identified above) in claims 1 and 7 appears to have been included in error, but nothing turns on this.

Step 2 – identifying the contribution

12 The specification has been amended a number of times, in various ways, in an attempt both to distinguish the prior art which the examiner has cited and to avoid the exclusions of section 1(2), but without success on the latter front.

13 On the evidence of the prior art cited by the examiner, it appears to me that there is nothing new in providing triggers on a separate stream or track, which could be contained on a separate region of a video disc, to activate indicators (sometimes

described as “hot spots”) at critical points in a video in order to enable the viewer to initiate an interactive function, such as obtaining information or purchasing a product online. However, I agree with the examiner’s view (as stated in his letter of 18 January 2008) that the cited prior art does not disclose or teach towards “a method or video disc player that examines a video disc for the presence of associated trigger data relating the display of a product in the video to the time it is displayed and, if none is found, requests the data from a remote server, downloads and stores it in memory, then, when the disc is played and in response to the trigger data, displays an indicator that a displayed product is available for purchase, which a user can select by means of an interface.”

14 Bearing in mind the definition of the contribution in paragraph 43 of *Aerotel*

“Mr Birss submits the test is workable - it is an exercise in judgment probably involving the problem said to be solved, how the invention works, what its advantages are. What has the inventor really added to human knowledge perhaps best sums up the exercise. The formulation involves looking at substance, not form – which is surely what the legislator intended.”

I agree with the examiner that the critical feature constituting the actual contribution of the invention is (again as stated in his letter of 18 January) “in the context of a system for displaying products in a video for purchase and selection, the examination of a video disc for the trigger data and, if none is present, requesting and downloading the data from a remote server for storage and subsequent use in indicating such a product when the disc is played.” I think this is consistent with the assessment of the invention as now claimed in the applicant’s letter of 31 December 2007, and I would emphasise the point made by the applicant that the invention gives viewers of conventional video discs the advantage of access to interactive services that they would not otherwise have.

15 As paragraph 43 of *Aerotel* explains, the contribution is to be assessed as a matter of substance, not form. I consider the above formulation of the contribution to apply irrespective of whether the invention is claimed in the form of a method or an apparatus.

Step 3 – does the contribution relate solely to excluded matter?

16 In the letter of 31 December 2007, the applicant argued that the contribution of the invention was a “technical platform” enabling the provision of interactive services via, or in conjunction with, conventional videodiscs which could not be considered to be solely excluded matter. Since it required a novel interaction between the video player, the video disc and a remote server, the applicant considered the contribution to be technical in nature.

17 The check for technical nature constitutes the fourth step of the *Aerotel* test, and paragraphs 46-47 of the judgment explain that it may not be necessary because the third step should have covered the point, and that a contribution which consists solely of excluded matter will not count as a technical contribution. The extent to which the third and fourth steps can be separated has been considered

in a number of court judgments since *Aerotel*, and I think it helpful to consider some of these briefly in view of the above-mentioned *Symbian* judgment.

- 18 For example, in *Oneida Indian Nation* [2007] EWHC 954 (Pat), Deputy Judge (as he then was) Christopher Floyd was clear (paragraphs 10-11) that the identification of a technical advance did not bring back into contention inventions which had been excluded at the third step, and the fourth step was intended merely to make sure that inventions which had passed the third step were technical in nature: an invention would not pass the third step on the strength of technical advances which fell within one of the excluded categories. This view appears to be supported by the subsequent judgments in *Astron Clinica* [2008] EWHC 85 (Pat) (paragraph 45) and *Autonomy Corporation* [2008] EWHC 146 (Pat) (paragraph 34).
- 19 However, in the recent *Symbian* judgment, Patten J (see paragraphs 42 and 58) held that the question of whether a claim fell within excluded matter could not be answered in isolation from the issue of whether it embodied a relevant technical contribution, and that the third and fourth steps were as a matter of law alternatives. He thought it clear from the authorities that the question whether the invention made a relevant technical contribution had to be asked because it was the determinant of whether EPC Art 52(3) (equivalent to section 1(2)) had any application, and that whether it was asked as part of the second, third or fourth *Aerotel* step mattered much less than whether it was asked at all.
- 20 I do not find these judgments easy to reconcile, and I therefore propose to go back to what the Court of Appeal actually said in the *Aerotel* judgment. As Jacob LJ made clear at paragraphs 41 and 48, the four-step test is not a re-writing of the statutory test, but a structured and more helpful way of re-formulating it which is consistent with the earlier decisions of the Court of Appeal. Having considered the first two steps, I must therefore next consider whether the contribution which I have identified relates solely to excluded matter.
- 21 In claim 7 the processor of the video player is “adapted” to examine the disc, request the trigger data from the remote server and download it via network connection, whilst the player’s memory is “adapted” to store the downloaded data. The description supporting this claim is to be found at paragraphs [0014], [0031]-[0032] and [0036]-[0039] but does not take matters much further: I think a fair summary of them is that the video playback device recognises whether or not trigger data is present on the disc, requests its transmission if it is not present and saves it to memory on the device. Reference is made to the player being “configured” to carry out the necessary steps. However, paragraph [0036] explains in regard to the device:

“The video playback device 180 may be similar to a DVD player, a High-Definition video player or a personal computer. In one embodiment, the player contains a programmable processing unit. In one embodiment, the player comprises an Internet connection, though the device need not always be connected. The video playback device further comprises a user interface device such as a remote control.”

- 22 All this begs the question of how the player is “adapted” or “configured” to carry out the various operations. The applicant has argued that there is a novel interaction of apparatus, and in the light of *Symbian* that this is a case where a computer program is simply one way, in combination with appropriate apparatus, of implementing a technical contribution in the form of an improved video disc player and a method of operating it which overcomes a technical shortcoming in the apparatus.
- 23 I disagree. There is to my mind nothing in the description which I have quoted above to suggest that the player, disc and remote server are anything other than standard items of hardware. It seems to me that any interaction between them is caused solely by the running of one or more computer programs, even if some of the program components are embedded in the hardware. Further, whilst I fully accept that the contribution improves access to interactive video services, I do not think that it either overcomes any technical difficulty in operating the combination of hardware or causes it to act in any new technical way.
- 24 From another viewpoint, the examiner argues that having discovered that data was absent it would be obvious to retrieve it from a known source; accordingly the contribution is characterised by the context in which it is performed. In the examiner’s view that context is the recognition of products which are displayed in a video and indication of them to a viewer for selection for purchase, which constitutes a method for doing business.
- 25 I agree with the examiner’s reasoning. I do not think it matters that the contribution stops short of actually making the purchase: as paragraph 69 of *Aerotel* makes clear, there is no requirement that the transaction must be completed before the business method exclusion can apply.
- 26 Accordingly I find that the contribution falls solely within the computer program and business method exclusions and as a result it fails the third *Aerotel* step.

Step 4 – is the contribution technical in nature?

- 27 Irrespective of whether or not I then need to go on to the fourth step in the light of the court judgments mentioned above, I do not think that there is enough relevant technical effect in the contribution to pass it. As the examiner has pointed out, the contribution is defined wholly by the programs which are run and the business method which is performed and it does not follow that because the invention uses technical equipment the contribution is necessarily technical in nature. Further, I do not think this is a case where the programs could be said to have a novel effect on the operating system of a computer, which appears from paragraphs 58 and 63 of *Symbian* which the applicant has quoted to be the basis on which the appeal was allowed in that case.

Conclusion

- 28 In the light of my findings above the invention of claims 1 and 7 is excluded under section 1(2)(c) because it consists, as such, of a program for a computer and a method for doing business. Having read the specification I do not think that any

saving amendment is possible.

29 I do not therefore need to consider whether the invention is novel and involves an inventive step, although as I have stated above I agree with the examiner that the prior art does not disclose or teach towards the invention as now claimed.

30 I therefore refuse the application under section 18(3).

Appeal

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

R C KENNEL

Deputy Director acting for the Comptroller