Intellectual Property Office

BL O/0414/23

04 May 2023

PATENTS ACT 1977

APPLICANT	ImageNPay UK Limited
ISSUE	Whether patent application GB1813684.6 complies with section 1(2) of the Patents Act 1977
HEARING OFFICER	Phil Thorpe

DECISION

Introduction

1. Patent application GB1813684.6 has a filing date of 22nd August 2018 and claims priority from an earlier application filed on 18th May 2018. The application was published as GB 2573833 A on 20th November 2019.

2. The examiner considered that a search would not serve any useful purpose and so declined to search the application under section 17(5)(b) of the Act. An Examination Opinion was issued on 28th January 2019, in which the examiner asserted that the invention defined by the claims was excluded from patentability under section 1(2)(c) of the Act as relating to a method for doing business and as a computer program as such.

3. Following a request for examination, an Abbreviated Examination Report was issued referring the applicant to the points raised in the Examination Opinion. The examiner also stated their view that the application cannot be made to comply with the requirements of the Act and so should be refused. The applicant was offered the opportunity to be heard in person by a Hearing Officer and responded requesting to be heard. The examiner issued a pre-hearing report on 18th November 2022.

4. As such, the matter came before me at a hearing which took place on 25th January 2023. Mr Stephen Geary of Bawden & Associates attended the hearing with Mr Michael Donald of ImageNPay UK Limited. I am grateful to both for their submissions on the day.

The Invention

5. The invention relates to a method and system for enabling a user to purchase a product associated with a brand after viewing a media item, such as an image or video, on social media. The media item is, for example, an

endorsement or sponsorship of the product and is distributed via a content distributor server.

6. The application identifies two problems to be addressed in prior art processes for purchasing products brought to the attention of users on social media. Firstly, when a user views a product endorsement or sponsorship and, as a result, decides to purchase the associated product, the brand is not able to determine which endorsement or sponsorship led to the sale, due to advertisements for their products being available on a number of different platforms. The brand is therefore not able to determine the effectiveness of a product endorsement or sponsorship. Secondly, even when links to merchants offering a product are provided next to online media, the purchasing process is not straightforward. A user must perform a number of steps, generally including creating an account with the merchant and entering payment details, in order to purchase the product.

7. The invention addresses these problems by providing a method and system for fulfilling an action (the purchase of a product) with a fulfilment entity (a merchant) via a fulfilment server (a merchant server).

8. An embodiment of the invention is represented in figures 1A and 1B, which are reproduced below.

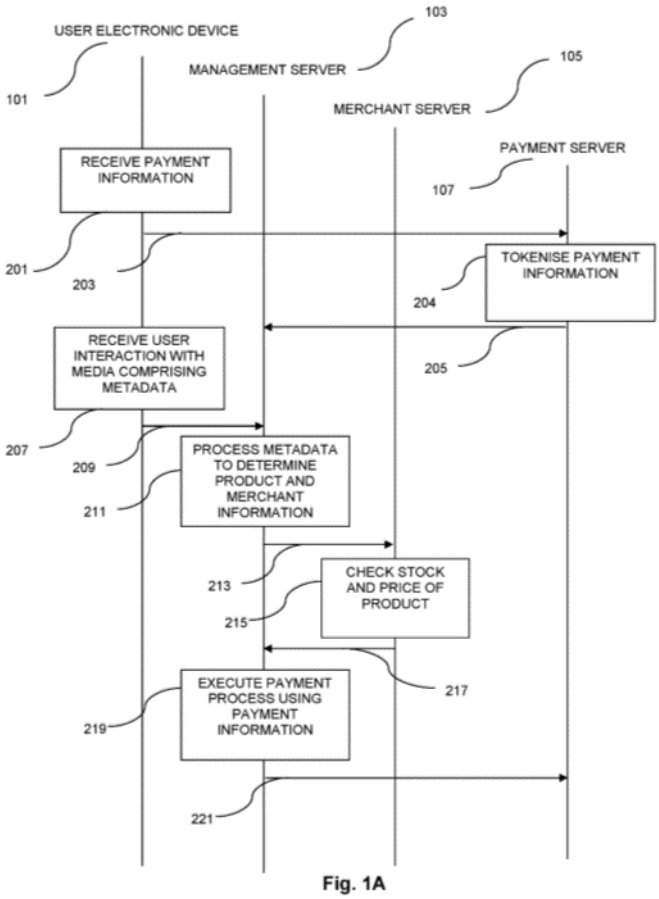

Fig. 1A

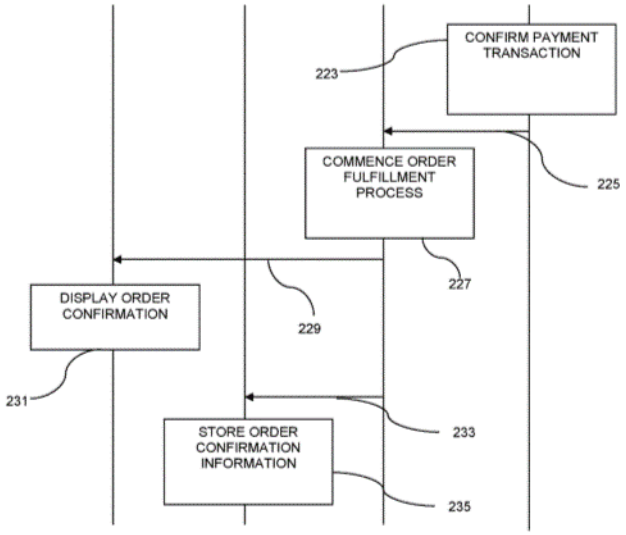

Fig. 1B

9. A user initially downloads a fulfilment application to their user electronic device, such as a smartphone. The user is then prompted to complete a registration process, after which they are able to enter their payment information. The payment information is sent, in an encrypted form, to a payment server.

10. On viewing content from a content distributor server, for example social media content from a social media server in the form of a media item comprising metadata, the user can interact with the media item. Subsequent processing of the metadata, optionally by a management server, yields product and merchant information enabling contact with the merchant entity to determine, for example, stock availability and the price of the product. A payment process can be executed using the previously entered and stored user payment information.

11. The method enables fulfilment entities to track the behaviours of users without capturing any personally identifiable information. In particular, determination of which content distributor entity provided the media item that triggered the sale is enabled. I note that, while a stated aim of the invention is to enable the brand to determine the effectiveness of a product endorsement or sponsorship, it is the fulfilment entity, i.e. the merchant, that is able to determine which content distributor entity provided the media item that triggered the sale. However, the first identified problem of the brand not being able to determine the effectiveness of a product endorsement or sponsorship would seem to be addressed.

12. The requirement for the user to perform a number of steps to purchase the product is removed by the pre-storing of their details including payment information. The action of purchasing the product is fulfilled through interaction with the media item provided from the content distributor entity. As their details have been pre-stored, the user does not need to interact directly with the

merchant, thus simplifying the purchasing process from the user's point of view. The second identified problem is therefore addressed.

13. Towards the end of the hearing, Mr Geary discussed some possible amendments to the claims and enquired whether it would be possible to file amended claims for the decision to be based upon. I agreed to this request and offered the applicant the opportunity to file such claims within two weeks of the date of the hearing. The applicant duly filed the amended claims on the 8th of February 2023. I am satisfied that the amendments made to the claims do not add subject matter not disclosed in the application as filed and I will base my decision on these claims.

14. Claim 1 of the amended claims reads as follows:

> *A computer-implemented method of fulfilling an action with a fulfilment entity via a fulfilment server, the method comprising:*
>
> *in response to a user input into a user electronic device running a fulfilment application, the input being in relation to a media item which contains or is associated with metadata which contains information enabling the fulfilment entity and the action to be identified, using the media item to process the said metadata to obtain information identifying the fulfilment entity wherein the metadata activates the fulfilment application; and*
>
> *interacting with the fulfilment entity using the obtained information identifying the fulfilment entity to fulfil the action,*
>
> *wherein the media item is from a content distributor entity, the content distributor entity being different to the fulfilment entity.*

15. Claim 15 is to a computerised system and reads as follows:

> *A computerised system for fulfilling an action with a fulfilment entity via a fulfilment server, the system being arranged to perform the method as claimed in any preceding claim.*

16. I consider that claims 1 and 15 are of the same scope and so consideration of claim 1 alone will suffice.

The Law

17. The examiner has raised an objection under section 1(2) of the Patents Act 1977 that the invention is not patentable because it relates to a category of excluded matter. The relevant provisions of this section of the Act are shown with added emphasis below:

> *1(2) It is hereby declared that the following (amongst other things) are not inventions for the purpose of the Act, that is to say, anything which consists of…*
>
> ***(c) …a scheme, rule or method for…doing business, or a program for a computer;***
>
> *but the foregoing provisions shall prevent anything from being treated as an invention for the purposes of the Act only to the extent that a patent or application for a patent relates to that thing as such.*

18. As explained in the notice published by the IPO on the 8th December 2008[1], the starting point for determining whether an invention falls within the exclusions of section 1(2) is the judgment of the Court of Appeal in *Aerotel/Macrossan*[2].

19. The interpretation of section 1(2) has been considered by the Court of Appeal in *Symbian*[3]. *Symbian* arose under the computer program exclusion, but as with its previous decision in *Aerotel* the Court gave general guidance on section 1(2). Although the Court approached the question of excluded matter primarily on the basis of whether there was a technical contribution, it nevertheless (at paragraph 59) considered its conclusion in the light of the *Aerotel* approach. The Court was quite clear (see paragraphs 8-15) that the structured four-step approach to the question in *Aerotel* was never intended to be a new departure in domestic law; that it remained bound by its previous decisions, particularly *Merrill Lynch*[4] which rested on whether the contribution was technical; and that any differences in the two approaches should affect neither the applicable principles nor the outcome in any particular case.

20. Subject to the clarification provided by *Symbian*, it is therefore appropriate to proceed on the basis of the four-step approach explained at paragraphs 40–48 of *Aerotel* 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) If the third step has not covered it, check whether the actual or alleged contribution is actually technical.*

Applying the Aerotel test

Step 1 – Properly construe the claim

21. When considered in light of the teaching of the specification as a whole, it is clear that fulfilling an action refers to purchasing a product. As can be seen from figures 1A and 1B, completion of the purchase requires execution of a payment process (step 219), which is performed using payment information that has previously been entered by the user (step 201). I note that these steps are not included in the claim. It might be argued therefore that the claim is not directed to a method of fulfilling an action, as the action, i.e. purchasing a product, is not completed by the method steps recited in the claim.

22. Otherwise, construing the claim appears to me to be fairly straightforward. I construe the claim as being directed to a computer-implemented method for performing steps associated with purchasing a product. The method comprises running a fulfilment application on a user electronic device. A purchasing process is initiated in response to a user input into the device in relation to a

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[1] http://www.ipo.gov.uk/pro-types/pro-patent/p-law/p-pn/p-pn-computer.htm
[2] *Aerotel Ltd v Telco Holdings Ltd and Macrossan's Application* [2006] EWCA Civ 1371; [2007] RPC 7
[3] *Symbian Ltd v Comptroller-General of Patents*, [2009] RPC 1
[4] *Merrill Lynch's Appn. [1989] RPC 561*

media item from a content distributor entity, such as social media content from a social media server. The media item contains or is associated with metadata containing information identifying the fulfilment entity, i.e. the merchant, and the action to be identified, i.e. the product to be purchased. The method further includes interacting with the fulfilment entity using the contained information.

Step 2 – Identify the actual contribution

23. Jacob LJ addressed this step in *Aerotel/Macrossan* where he noted:

> "*43. The second step — identify the contribution — is said to be more problematical. How do you assess the contribution? 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."*

24. Jacob LJ goes on to say that in the end:

> *"the test must be what contribution has actually been made, not what the inventor says he has made".*

25. The application has not been searched.

26. Although the examiner was presented with a broader version of claim 1, it is useful to consider their assessment of the contribution. The examiner noted that the contribution includes 'a computer implemented method which, in response to a user input in relation to a media item, obtains information identifying the merchant via the media item, interacts with the merchant using the information identifying it to fulfil the purchase request'. As I have noted, the claim does not actually include the step of fulfilling the purchase request.

27. The examiner goes on to state that this 'offers the advantages of a brand being more able to determine the effectiveness of a product endorsement…since the media item is intrinsically linked to a purchase request'.

28. Mr Geary makes a similar assertion in the letter of 8th February 2023 accompanying the amended claims, where he states that the invention provides:

> 'an interactive element and process between user input which enables identification of the fulfilment entity and action and initiates the fulfilment application on the user electronic device. This provides inter-relation which enables the process and transaction to be carried out. As a consequence the fulfilment is able to identify the particular media item giving rise to the user input and thereby provide specific information as to the particular material hosted by the content distributor entity giving rise to the transaction'.

29. The features of the fulfilment entity being provided with information identifying the media item giving rise to the user input, and being provided with information identifying the content distributor entity that provided the media item, are not explicitly included in the claim. Consequently, I do not consider this to be part of the contribution of the invention defined by the claim.

30. The examiner also states that this '[reduces] user frustration and [improves] user engagement with merchants…since the user need not repetitively register account information and have to remember multiple account login details'. As the claim does not include the user registering their information, I do not consider this to form part of the contribution of the invention defined by the claim.

31. I consider the contribution to be a computer-implemented method associated with purchasing a product from a fulfilment entity, the method using a fulfilment application, wherein a user makes an input in relation to a media item from a content distributor entity which is different to the fulfilment entity, and wherein the media item contains or is associated with metadata that contains information enabling a fulfilment entity to be identified, the method further comprising processing the metadata to obtain information identifying the fulfilment entity and interacting with the fulfilment entity using the obtained information.

Steps 3 and 4 – Ask whether it falls solely within the excluded matter and check whether the actual or alleged contribution is actually technical.

32. I will consider steps 3 and 4 together.

A method for doing business

33. In *Merrill Lynch* Fox LJ sets out that the business method exclusion is generic. He noted:

> "The fact that the method of doing business may be an improvement on previous methods of doing business does not seem to me to be material. The prohibition in section 1(2)(c) is generic; qualitative considerations do not enter into the matter. The section draws no distinction between the method by which the mode of doing business is achieved. If what is produced in the end is itself an item excluded from patentability by section 1(2), the matter can go no further."

34. As Mr Donald in particular was keen to emphasise, the method of fulfilling an action using the invention here is an improved method. That may indeed be true. However ultimately that is immaterial as the action being fulfilled is clearly a business transaction. It is purchasing a product promoted via media content. The individual steps that allow that to happen such as tying in with the metadata of the media output or pre-populating payment details in a fulfilment application do not take the invention outside of the business method exclusions. There is nothing for example to indicate that these steps are anything other than choices as to how to conduct the transaction. The steps do not solve or overcome in a technical way any technical problems with prior methods. Therefore, the method of claim 1 clearly falls solely within a method for doing business. The fact that the method is computer-implemented does not make it patentable.

A program for a computer

35. Though it is not strictly necessary, I will also briefly consider whether the invention, which is computer implemented, is also excluded as a program for a computer.

36. Lewison J. (as he then was) set out in *AT&T/CVON*[5] five signposts that he considered to be helpful when considering whether a computer program makes a technical contribution. In *HTC*[6] the signposts were reformulated. The signposts are:

> i. Whether the claimed technical effect has a technical effect on a process which is carried on outside the computer.
>
> ii. Whether the claimed technical effect operates at the level of the architecture of the computer; that is to say whether the effect is produced irrespective of the data being processed or the applications being run.
>
> iii. Whether the claimed technical effect results in the computer being made to operate in a new way.
>
> iv. Whether the program makes the computer a better computer in the sense of running more efficiently and effectively as a computer.
>
> v. Whether the perceived problem is overcome by the claimed invention as opposed to merely being circumvented.

37. It is important to stress that these signposts are just that. They are not barriers or hurdles that need to be individually or collectively overcome by the applicant. They are rather a non-exhaustive list of some of the factors that can indicate in some cases whether a particular contribution may be technical.

38. There is here no suggestion that the claimed method has a technical effect on a process which is carried on outside the computer hence signpost i) does not assist. The method being implemented on the computer is a specific application related to fulfilling an action and sits considerably far away from the architectural level of the computer. I am also not persuaded that the computer operates in a new way other than in running a new program and that does not cause the computer to operate differently in a technical sense. Signposts ii) and iii) therefore also do not assist. The computer itself is also not made to run more efficiently or effectively. That the method may be more effective in linking purchases with the media source promoting the purchase does not change the way the computer itself in running.

39. Mr Geary indicated that signpost v) might useful. As noted the contribution of the invention described in the specification might be considered to include identification of the particular media item giving rise to the user input, which leads to the fulfilment entity being able to determine the effectiveness of a particular product endorsement.

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[5] *AT&T Knowledge Venture/CVON Innovations v Comptroller General of Patents [2009] EWHC 343 (Pat); [2009] FSR 19*
[6] *HTC v Apple [2013] EWCA Civ 451*

40. This, Mr Geary suggests, 'allows the marketing activity of the fulfilment entity to be much more specifically focussed [which]…uses far less computer power than present mass marketing techniques with no feedback as to the particular marketing material which prompts the transaction'. Although the specification is silent on the subject of focussed marketing and the associated reduction of computing power, I will accept that these features are implicit to the invention and so might form part of a possible contribution. However, this does not take the invention outside of the business method exclusion nor does it suggest that a technical problem has been solved as suggested by signpost v). Even if the perceived problem might be considered to be the use of large amounts of computing power during online marketing of products, the invention merely overcomes this by changing the way in which marketing is carried out. It does not improve the way in which the computer operates.

41. To address the question posed by the examiner that the invention here avoids rather than solves a technical problem in terms of the power consumption, Mr Geary sought to draw a comparison between the invention here and a Dyson vacuum cleaner. He noted that “the Dyson vacuum cleaner innovations did not solve drawbacks associated with cleaner bags, but circumvented or avoided such problems by providing an alternative approach to providing effective cleaning. The present invention provides an alternative route to carrying out transactions which provides indirect technical advantage.” There is in my experience little value in such comparisons between such different technologies. The *AT&T* signposts provide guidance on whether computer programs might involve a technical contribution. They have no relevance to mechanical devices such as vacuum cleaners.

42. I am satisfied that signpost v) does not assist the applicant here.

Conclusion

43. Having carefully considered the arguments, I am of the view that the contribution falls solely within matter excluded under section 1(2) as a method for doing business and as a program for a computer as such. I can see nothing in the specification that could reasonably be expected to form the basis of a valid claim. I therefore refuse this application under section 18(3).

Appeal

44. Any appeal must be lodged within 28 days after the date of this decision.

Phil Thorpe

Deputy Director, acting for the Comptroller