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*This article was first published on Lexis®PSL IP & IT on 24 November 2014. Click for a free trial of [Lexis®PSL](#).*

## **Software patents--a political hot potato?**

24/11/2014

**IP & IT analysis: Did the Court of Appeal's decision in Lantana help to clarify the law on software exclusion from patentability? Giles Parsons of Browne Jacobson LLP, considers the issues.**

### **Original news**

*Lantana Ltd v Comptroller General of Patents, Design and Trade Marks* [2014] EWCA Civ 1463, [2014] All ER (D) 161 (Nov)

*The appellant's patent application in respect of an invention consisting of a computer program was rejected and the judge dismissed the appeal against that decision. The Court of Appeal, Civil Division, in dismissing the appeal, held that the appellant might have overcome the hurdle of achieving a novel and inventive step, but it had not overcome the hurdle of being excluded matter under the Patents Act 1977, s 1(2) (PA 1977).*

### **What is the background to this appeal--what points were being appealed?**

This was another venture into what Lewison LJ has referred to as 'the minefield of the exclusion from patentability of computer programs "as such"'.

Lantana had applied for a patent that related to retrieving data from a remote computer to a local computer using email. To achieve this, the local computer sends a first email containing machine-readable retrieval criteria and the remote computer responds with an email containing the requested data. Lantana said that this was inventive because, by using the local computer to control the remote computer, a user could work at a local computer on a document stored at a remote computer without needing a continuous internet connection.

The examiner objected on the basis that this fell within excluded subject matter--he did not claim it was new or obvious. The objection was upheld on appeal to the Hearing Officer, and by Birss J in the High Court, where the judge said that the system was just computer software running on conventional computers connected by a conventional network using a conventional technique (email) to avoid rather than solve a problem (the need for a constant network connection)--and that the patentee had failed to identify any contribution to the art which had a technical character.

The patentee appealed again to the Court of Appeal, and ran three arguments. Firstly, it said that the judge had failed to consider the invention as a whole. Secondly, it said that by not considering the claim as a whole, the judge had wrongly discarded features of the claim. Thirdly, when the judge did consider the claim as a whole, he was wrong to say that moving data from one computer to another was conventional--a position the application said was inconsistent was the Hearing Officer not having raised a novelty or inventive step objection to the patent.

## What was the outcome of the appeal?

The Court of Appeal agreed with all of the previous decisions and held that the applicant was not patentable, essentially for the reasons previously given. This decision is not surprising, and I don't think the Court of Appeal found the decision difficult to arrive at.

In relation to the first and second points, Kitchin LJ said that Lantana was right in claiming that the claim as a whole should be considered, but emphasised that it was important to focus on the actual contribution the inventor has truly made, and not just on what he says he has made. However, the court said that the judge could not be criticised for analysing the claim in relation to the alleged technical effects that Lantana had claimed--particularly as he subsequently stood back from this analysis and gave his overall opinion. It's notable that a similar criticism was made of Birss J in the Court of Appeal in the *Samsung v Apple* [2012] EWCA Civ 1339, [2012] All ER (D) 176 (Oct) design litigation, and a similar conclusion was reached.

In relation to the third point, the Court of Appeal said (as the High Court had done) that it was not inconsistent to accept the invention was new and inventive while also saying that the contribution fell within excluded subject matter--the tests are different.

## What is your assessment of how the Court of Appeal (and Birss J) dealt with the AT&T signposts in this case?

Arden LJ said that determining whether or not there was a technical contribution was a judgment call--and one that the Court of Appeal should be reluctant to interfere with, unless there was an error of law. Arden LJ considered the signposts but in each case found that Birss J was entitled to reach the decision he did. Kitchin LJ did not even address the signposts.

Ultimately, the hearing officer, the High Court and the Court of Appeal all found the fifth signpost (circumvention) to be useful in this case. All held that the claimed invention addressed the problem of establishing and maintaining a continuous connection between two computers by using a well-known non-continuous communication technology--so, the problem was not being solved, it was being circumvented. This means that nothing was contributed to the art above the fact that it related to a program for a computer.

In this sense, the case is similar to the decision in *Hitachi* T 258/03, where the Technical Board of Appeal at the European Patent Office (EPO) held that 'method steps consisting of modifications to a business scheme and aimed at circumventing a technical problem rather than solving it by technical means cannot contribute to the technical character of the subject-matter claimed'.

## Do you think the state of UK case law on the software exclusion from patentability is clear enough for software owners? What is the situation in the EPO?

It is an intellectually unsatisfactory area of law, both in the UK and at the EPO. The EPO follows a different test to the UK, asking whether or not a claimed invention is technical, and then assessing whether the invention provides a technical solution to a technical problem. However, the results are meant to be the same. The real difficulty with software patents runs deeper than these differences. Lord Justice Lewison explained it more eloquently in *HTC v Apple* [2013] EWCA Civ 451, [2013] All ER (D) 49 (May) than I can when he said that it was:

'[...] regrettable that because these apparently simple words ["a program for a computer... as such"] have no clear meaning both our courts and the Technical Boards of Appeal at the EPO have stopped even trying to understand them... Instead we are now engaged on a search for a "technical contribution" or a "technical effect". Instead of arguing about what the legislation means, we argue about what the gloss means. We do not even know whether these substitute phrases mean the same thing... So the upshot is that we now ignore the words "computer program...as such" and instead concentrate on whether there is a technical contribution. It is, if I may say so, a singularly unhelpful test because the interaction between hardware and software in a computer is inherently "technical" in the ordinary sense of the word.'

So, to determine whether or not something is 'technical', we are left applying the signposts--and it is difficult to find a clear intellectual unity underlying them. The problem would be best solved by legislation, but because software patents are a political hot potato, that cannot be done without huge upset, we are left in an unsatisfactory mess.

*Interviewed by Diana Bentley.*

*The views expressed by our Legal Analysis interviewees are not necessarily those of the proprietor.*