BILSKI II: A EUROPEAN PERSPECTIVE

Ilya Kazi discusses the implications of the *Bilski* decision for business method inventions in Europe.

The extent to which patent protection should be available for certain types of innovation, including new business methods and other computer-implemented inventions, is a global issue that has been the subject of much legal scrutiny in recent months.

In finding Bilski's claims unpatentable because they recited abstract ideas, but also in making it clear that the 'machine or transformation test' was not the only test for determining whether an invention is patent-eligible, the decision by the Supreme Court in *Bilski v. Kappos (Bilski II)* issued on June 28, 2010 seems to have avoided the implementation of a rigid test that might have made it harder to obtain patent protection for innovations outside the business method field. The price of this flexibility is however that applicants and their attorneys will inevitably face a degree of uncertainty in determining whether an invention is an abstract idea and so inherently unpatentable in the US.

The position of business method inventions in Europe and the UK was very different from that in the US before the Supreme Court decision, and little has changed as a result of the *Bilski* decision. Indeed, the divergence of US and UK patent law from their common roots, discussed by Judge Dyk in the Federal Circuit, is particularly stark in this area.

The issue of the patentability or not of business methods and computer programs has not yet reached the UK Supreme Court (formerly the House of Lords) and, following the UK Court of Appeal decisions in *Symbian* and *Aerotel Macrossan*, the UK Patent Office (IPO) requires a "technical contribution" for there to be patent-eligible subject matter. At first glance, the "any hardware" approach of the European Patent Office (EPO) seems similar to the US Supreme Court's requirement that the invention is not simply an abstract idea. However, this is only a superficial similarity—the EPO's approach is far closer in philosophy to that of the UK, the difference being that the EPO has effectively moved the problem to one of inventive step and so will ignore non-technical features when considering obviousness.

In summary, it seems that post-*Bilski*, a claim that encompasses all ways of automating a novel and non-obvious business method might perhaps be considered patentable in the US. However, in contrast, in the UK and before the EPO, such a claim would not be considered patentable, even if the business method itself was new and inventive. Whether it is rejected for inherent unpatentability in the UK or obviousness in the EPO, the effect for an applicant is similar.

The differences between US, EPO and UK practice stand out, not unsurprisingly, for those inventions that push the bounds of patentability, such as business method innovations. Although the patenting of software is a controversial topic, outside the business method area, patents are granted as a matter of everyday practice for computer-implemented inventions in fields where the modern world would be lost without that computer-implemented technology. Whether this is sufficient to foster and not stifle innovation in today's knowledge-based economy is however questionable and a matter of much debate. In this author's view, the focus of this debate should not be on whether or not subject matter is patent-eligible, but on the more fundamental question: is the invention new and inventive? Many business method patents are simply not inventive, representing nothing more than the routine, non-inventive automation of something previously done manually. If the patent offices and courts dealt with such cases on the basis that they are not inventive, then maybe there would be no need to define what is and what is not patent-eligible subject matter, the discussion of which often invokes unduly academic, artificial and historical musings over an underlying issue that is of real present commercial importance. Our patent systems might then be in a better position to be able to protect the future of our knowledge-based economy.

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Ilya Kazi has a Master's degree in natural sciences from Cambridge University. He qualified as a patent attorney in 1996 and holds a Certificate in Intellectual Property from London University. Kazi specialises in drafting and prosecuting patent applications for information technology inventions, both hardware and software, and also has extensive experience of medical devices, particularly electrosurgical devices and catheters. As well as extensive experience of European Patent Office opposition and appeal proceedings, he has been involved in commercial dispute resolution within formal mediation proceedings. He also advises on exploitation and licensing, and on strategic portfolio development.