

FEATURE

PATENTING BUSINESS METHODS IN SINGAPORE

The e-commerce revolution in the last decade has generated tremendous interest in patenting business methods. Responses of various patent offices to business method patents, however, are somewhat divided. For example, the European Patent Office (EPO) requires a business method to involve an inventive technical implementation to be capable of patent protection. Recently in November 2006, the United Kingdom Patent Office issued a new four-step test to assess business method inventions as a result of a Court of Appeal judgement in *Aerotel Ltd v Telco Holdings Ltd & Ors and Macrossan's Application* [2006] EWCA Civ 1371. In July 2006, the Full Court of the Federal Court of Australia in *Grant v Commissioner of Patents* [2006] FCAFC 120 confirmed that a business method requires the presence of a "concrete effect or phenomenon or manifestation or transformation" (generally referred to as "physical effects") for it to be properly the subject of a patent. In United States of America, a business method invention must be "useful, tangible and concrete" in order to meet the utility requirement of US patent laws.

Previously, the Singapore Patents Act contained a statutory prohibition to exclude from patentability certain types of subject matter, e.g., a scheme, rule or method for performing a mental act, playing a game or doing business, or a program for a computer. This prohibition was removed on 1st January 1996, implying that business methods are now patentable, provided they are new, inventive and are capable of industrial application. Also, the business methods should not encourage offensive, immoral, or anti-social behaviour. Since then, numerous business methods patents have been granted by the Intellectual Property Office of Singapore (IPOS). However, IPOS has yet to issue any further specific requirements in relation to patenting business method inventions.

An example of a granted Singapore patent (Publication No. 121794) involving a business method is set out below. The invention relates to an automated facility for parties to a trade transaction. The automated facility, which may be accessed over the Internet, provides a customer interface for initiating a transaction, automatically generates and verifies necessary trade documents, and tracks and manages the goods that are subject of the transaction. Claim 1 of the patent reads:

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1. A method of processing trade documents associated with a trade operation between a buyer and a seller comprising the steps of:
 - receiving an initiation document containing requirement information with respect to the trade operation, wherein the initiation document is an application for a Letter of Credit from the buyer;
 - mapping at least some of the requirement information into a database;
 - maintaining a customer profile containing standard terms and conditions used by the buyer; and
 - automatically generating the trade documents utilizing the requirement information contained in the database, wherein the step of automatically generating the trade documents utilizing the requirement information comprises automatically generating the Letter of Credit using the standard terms and conditions contained in the customer profile.

Before Singapore clarifies her position, patent applicants are advised on the following in relation to their business method patent applications. First, if the applicant intends to rely on his foreign patents for Singapore prosecution, he should ensure that his application relies on a positive International Preliminary Report of Patentability (IPRP) of a corresponding international (PCT) application, or is conformed to favourable claims of a corresponding application in a prescribed patent office (i.e., Australia, Canada (in respect of applications for a Canadian patent filed in the English language), Japan, New Zealand, Republic of Korea, the United Kingdom, the United States of America, and the European Patent Office (in respect of applications for a European patent filed in the English language), although not all of these jurisdictions might accept business method patents per se. If the applicant cannot rely on his foreign patents, then requesting local search and examination will be required, and he should ensure a favourable examination report is obtained.

Second, depending on the nature of the business method invention, the applicant can consider in his application different claim formulations which are capable of being accepted by at least the above prescribed offices. If these different claim formulations are not present in the priority application, they may be added to the Singapore application prior to requesting search and

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examination so that these claims can also be examined. The claim additions should be supported by the application as filed and should not add new matter.

Third, if the above steps are not available prior to grant, a post-grant search and examination is available to provide a patentability opinion and to allow the applicant place any validating arguments on the record. Adopting these steps, where applicable, would provide stronger evidence of patentability in any subsequent infringement or revocation proceedings.

Conclusion

While the European Patent Office, United Kingdom, Australia and United States of America have, in recent years, issued guidelines in relation to inventions involving business methods, Singapore has yet to clarify her position. Meanwhile, an applicant is strongly recommended to prosecute his application in consideration of the above. If the applicant chooses to rely on a prescribed corresponding patent application or corresponding PCT application, his application should be conformed to favourable claims of the corresponding application prior to grant of a patent. Alternatively, if no corresponding application can be relied upon, the applicant should consider adding different claim formulations capable of being accepted by at least the prescribed patent offices to be subject to a local examination, and ensure that his Singapore patent is supported by a favourable examination report.

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