QUESTION 158

THE PATENTABILITY OF BUSINESS METHODS

II. The legal situation in the country

II.1 The question of the patentability of business methods cannot be isolated from the problem of the protection of intellectual and abstract methods.

The groups are therefore invited first of all to indicate the exclusions from patentability, as provided for by the law of their country, based on the abstract nature of the invention:

- statutory exclusions;
- and exclusions arising from case-law.

If intellectual and abstract methods are excluded from patentability, the groups are invited to give details as to the basis of this exclusion.

II.2 Are business methods patentable or, on the contrary, are they excluded from patentability in the legislation of your country?

II.3 If business methods are excluded from patentability, does this exclusion concern only the methods in themselves, or does it also apply to any invention applying business methods?

II.4 If business methods are not patentable, are there other means of protection of business methods, particularly copyright ?

II.5 If business methods are patentable, is there a distinction in the grant of protection between business methods used in the context of tradition at business and business methods used in the context of the Internet?

II.6 If business methods are patentable in the country, have the national courts already had the occasion to decide on the extent of the protection conferred by patents concerning such methods? In the affirmative, have the Courts applied specific rules or, on the contrary, the normal rules governing the patent system?

II.1. Article 10. The Brazilian Patent Law lists several categories of inventions, which are not patentable neither as inventions nor as utility models.

Inventions of an abstract nature which are barred by the law are:

I) discoveries, scientific theories and mathematical methods;

II) purely abstract concepts;

III) schemes, plans, principles or methods for commerce, accounting, financing, education, advertising, lottery and control;

IV) literary, architectural, artistic and scientific works, or any aesthetic creation;

V) computer programs *per se*;

VI) presentations of information;

VII) rules of a game.

The above list deals with creations, which conceptually speaking would not fulfil the patentability requirements, especially industrial applicability. As a general rule, the Brazilian Group considers that those exclusions shall be interpreted in a restricted manner, and that thus, e.g., methods of a commercial nature are only excluded per se. An analogy can be made with respect to computer programs, which are not considered as inventions per se, while this has never precluded the Patent Office from granting patents to so called software inventions, i.e., inventions which are implemented by way of computerized systems.

II.2. These inventions are excluded from patentability because they fall within the mental context and do not meet the essential requisite of industrial applicability; or rather, they cannot be used or produced in any type of industry.

II.3. It is the understanding of the Brazilian Group that only methods per se are excluded.

II.4. Computer programs per se can be protected by copyright. Unfair competition may provide protection under specific circumstances.

II.5. As previously stated business methods per se are not patentable.

II.6. The Group is unaware of any such court decision.

III. Opinion of the groups

After having set out the legal situation in their country, the groups are invited to give their opinion on the following questions, giving reasons for their point of view each time.

III.1 Do the groups consider that business methods, as defined above (see I (f)), taken in themselves, constitute inventions?

III.2 In the opinion of the groups, is the exclusion of patentability for business methods in conformity with the provisions of Article 27 of the TRIPS agreement?

III.3 If national legislation does not currently provide for the possibility of protecting business methods, taken by themselves, by invention patents, do the groups think that their patentability is desirable?

III.4 If the answer to III.3 is in the affirmative, can the groups specify whether patentability should solely cover business methods used on the Internet, that is to say which directly implement technical means present on this network or, on the contrary, whether patentability should be accepted for all business methods without distinction?

III.5 If the answer to III.3 is in the negative, the groups are invited to express their opinion on other means of protection of business methods, such as copyright. In this case, it is requested that the groups present the respective advantages and disadvantages of patents and other means of protection of business methods. On this point, the groups may also refer to the aforementioned resolution (see I (c)) on computer programs.

III.6 If the business methods are the subject of invention patents, the question arises as to the scope of the protection conferred by a patent concerning such methods.

> Would this be protection limited to the method itself, or would it be necessary, following the example of the process patent, to provide for protection in addition for products or services marketed through such methods?

III.7 Should the rules for assessment of the scope of patents covering business methods be the same as for traditional method or process patents or, on the contrary, should specific rules be applied by the courts, and in this latter case, which rules?

> For example, if the courts of a country generally apply the theory of equivalents, should this theory also apply to business methods patents?

III.8 Do the Groups consider that the inventive activity of an invention concerning a business method may arise as a result of the simple fact of adapting a known method to new means of communication, such as the Internet?

III.9 With respect to acts of infringement, should the usual rules in patent law be applied: direct or indirect infringement, infringement by incitement, supply of means etc., or on the contrary should special rules be applied to patents covering business methods?

> Thus, the US Act of 29 November 1999 provided a new defence in the event of alleged infringement of a patent with process claims. And the question arises in interested circles as to whether these new legislative provisions apply to all patents including process claims or only those where the claims concern business methods.

III.10 Should rules concerning compensation for loss as applied to the infringement of patents covering business methods be the same as are applied to patents covering

inventions in traditional fields, or should these rules be modified for the infringement of patents covering business methods, taking account of the fact that these methods are not used, in principle, for the manufacture of products but solely for the sale of products and services?

III.11 Should the rules of evidence concerning the infringement of a patent covering business methods be the same as those concerning process patents or patents for traditional methods? In particular, do the groups consider that the provisions of Article 34 of the TRIPS agreement concerning the burden of proof should apply to patents covering business methods?

III.1. The Brazilian Group considers that business methods constitute inventions when associated in a new and inventive manner with some kind of technology.

III.2. The Brazilian Group considers that the exclusion of business methods per se, which do not fulfil the industrial applicability requirement, is in conformity with TRIPS' art. 27.

III.3. The Brazilian Group does not consider as desirable immediately to provide protection of business methods, which are not in some manner associated with technology. We believe that if broader protection is envisaged for business methods per se, at least a short transitional period must be provided, during which the actual effects of the granting of patents to some kinds of business methods could be monitored.

III.4. The Group is of the opinion that patentability of business methods should solely cover Internet business methods or associated with any other technology.

III.5. Copyright only provides limited protection for business methods, e.g., to the text of instructions, guidelines, presentations etc. Presently, allowing patents for business methods per se would most probably create a problem in respect to the sources of searches as to methods already being used. If the users and developers of such methods consider to be of advantage to institute protection by means of patents, it would seem desirable first to create searchable databases for this subject.

III.6. If business methods should be eligible for invention patents, protection should also extend to the products and/or services marketed through said methods, provided that the invention covers the respective products or services. There should be no difference in the manner to determine its scope of protection when compared to other fields of technology under penalty of violating TRIPS' Art 27.1.

III.7. The Group holds that once business methods associated with any technology are patentable as inventions, the rules for assessment of the scope of patents covering these inventions should be the same as for traditional patents. The Group, however, realizes that it is difficult at this stage to assert whether all rules applicable to traditional patents, can be applied to business method inventions.

III.8. The Brazilian Group considers that this can indeed happen, although not necessarily. As in any technological field, we believe that it must be investigated in a case-by-case basis if the association of the known method with a certain technology, such as the Internet, demanded a certain level of creativity in order to fulfil the inventive step requirement. An analogue situation is the case of a pharmaceutical patent covering the novel use of a known product where inventive activity is evidenced.

III.9. The Brazilian Group is not aware of Court decisions in this technological area. However, the Group is in favor that the usual rules be applied.

III.10. Yes. The Group realizes that this assessment is difficult. However, there are provisions in Brazilian Patent Law which establish that compensation for loss could be determined by the benefits that the injured parties would have gained, had the infringement not occurred.

III.11 If business method inventions are to be protected in Brazil, then all traditional rules of evidence should be applied.

The Group considers that the provisions of Article 34 of TRIPS could be applicable to business methods and other associated technologies patents as in the case of traditional patents.