



Is my Smartphone App patentable?

By Kristian Henningsson, HØIBERG A/S

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The short answer is yes, it may very well be patentable. Smartphone app patenting may be a great way of protecting an idea in some cases, but not all solutions are suitable for patenting when considering the commercial aspects, as this article will explain. Furthermore, the patentability varies from country to country.

Smartphone apps are a profitable market and, not surprisingly, many developers ask themselves whether they could and should patent their work. Smartphone apps are in principle no different from other software, which means that in many cases it is possible to patent inventions implemented in smartphone apps. Often, as this text will show, an equally important and relevant question to ask is whether it is reasonable to patent a smartphone app from a commercial perspective.

Software, generally, has always caused difficulties for intellectual property experts. Initially, software was included within the scope of copyright protection. The source code still is; however, copyright protection is ill-suited for protecting the inventions since it covers the source code but not the functionality or technical effect of running the program.

Patentability in Europe and the U.S.

The patentability of software implemented inventions, such as mobile apps, varies from country to country. In Europe, software “as such” is excluded explicitly from patentability, EPC Article 52(2)(c) and 52(3). However, an invention that can be described as a computer program controlled technical process or computer implemented invention is not considered as a computer program “as such”, and therefore some

software is patentable under the EPC. The primary challenge here is to clarify how a computer program “as such” must be characterized.

In Europe purely abstract or intellectual methods are not patentable. However, the borderline between mathematical methods and computer can be difficult to define. In the guidelines of the EPC there is an attempt to define computer invented inventions more precisely. If a claim involves “computers, computer networks or other programmable apparatus whereby *prima facie* one or more of the features of the claimed invention are realized by means of a program or programs” the claim can be considered to relate to a computer implemented invention. With regard to the distinction between a purely abstract mathematical method and a patentable computer program it is stated that “a computer program implementing a mathematical method that itself makes a technical contribution would also be considered to be capable of bringing about a further technical effect when it is run on a computer.” In short: if the computer program performs an operation that has a technical effect “in the real world” it is patentable – as long as the technical effect is novel and involves an inventive step.

The U.S. counterpart of Article 52 EPC is 35 U.S.C. § 101 on patentable inventions, according to which any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent. There is no technicality requirement in 35 U.S.C. § 101, which, to some extent, explains why software patents were better accepted from the beginning in the U.S. However, U.S. case law provides that there are other requirements than novelty, utility and non-obviousness (inventive step), namely the requirement that the invention must produce a useful, concrete

and tangible result. The manipulation of an abstract idea is not considered concrete or tangible.

The U.S. *Alice* decision deals with the issue of whether a computer implemented method for facilitating financial transactions (i.e. a business method) is patentable or whether the method constitutes an abstract idea. Patents cannot be granted on an abstract idea in the US – or Europe for that matter. Many hoped that the Supreme Court would clarify how to distinguish an inventive process or apparatus from an abstract idea. However, the Court in *Alice* made no effort to answer the question from the Federal Circuit for *en banc* consideration. It had been predicted that the answer by the Supreme Court could possibly render many existing software patents invalid and that it would be very difficult to grant any software patents in the future. In reality, the *Alice* decision does not seem to threaten the patent eligibility of the software that brings something beyond mere computer implementation of well-known methods.

In summary, in Europe the question of patentability depends on whether the computer program is capable of bringing a further technical effect, whereas in the U.S. approach focus is on whether the method is abstract or not. Obviously, in Denmark, the European patent law applies, and apps are indeed patentable, as software is in general, as long as the above provisions apply.

In practice this means that many smartphone apps are in fact patentable as long as they are new and inventive. In Europe, the required technical effect could for example relate to almost any technical function that is either physically built into the smartphone, or to an external device. Examples of technical components or systems that could be involved are GPS, Wi-Fi, touch screens, microphones/speakers, cameras (for example used as scanner), gyros, biometric devices, medical equipment, alarm systems, electronic pens, and sports equipment.

Commercial relevance

In addition to the patentability requirements it should also be asked whether a patent would be commercially relevant and whether it supports the overall business strategy. For smartphone apps, somewhat simplified, this means that if the value of the market share that would be lost without the

patent exceeds the cost of the patent, the patent can be considered to be a good investment. Since smartphone apps are relatively cheap, this usually means that you need a technical solution that is relevant over a longer period of time and to a large group of users, otherwise a patent is not recommendable. These estimations are not simple to make before the app has been launched, but rough estimates should at least indicate that there is a realistic probability to achieve the needed revenue.

Many apps have a very short life time, which makes patent protection ill-suited not only for the possibilities to cover the costs of a patent, but also because it takes time for a patent to be granted. If the invention is only relevant for a short period of time, a patent is typically of little interest. However, many app solutions, which involve interaction with external devices, do have a potential to be relevant for a long time.

It can also be noted that selling large quantities of a smartphone app is not always primarily a battle against direct competition in the segment but simply about getting any market attention at all. If you are first to market, have a good user interface and an app that you think has a good potential, but do not reach the number of users you expect, a patent is not the solution.

When to patent an app:

- ❖ The technology is of interest to a large group of users.
- ❖ The app is expected to have a reasonably long life time.
- ❖ The app has a technical effect and is novel and inventive.
- ❖ The patent protection serves the overall business strategy.

Despite this, to some extent, discouraging picture, there are certainly smartphone apps for which patent protection is relevant and useful. If the pitfalls described above can be avoided, i.e. if the technology is of interest to a large group of users, the app is not expected to have a short life time, and the technology fulfills the technical requirements laid down in the

patentability section above, a patent protecting the technology may very well be a suitable way forward.

In that case, it can be advised to further assess how broad a possible patent would be, whether the patent would serve its purpose (primarily lock out relevant competition from the market segment), and assess whether the patent serves the overall business strategy.

If you want to know for sure whether or not your app is patentable, you are very welcome to contact a patent attorney at HØIBERG A/S.



**Kristian
Henningsson**

Patent Attorney

Contact information:

T: +45 3332 0337

khn@hoiberg.com

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