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**Datasheet for the decision
of 20 July 2022**

Case Number: T 2295/18 - 3.5.01

Application Number: 12813997.9

Publication Number: 2923328

IPC: G06Q30/02, G06Q50/16

Language of the proceedings: EN

Title of invention:

PROCESS AND SYSTEM FOR ECONOMICALLY EVALUATING REAL ESTATES

Applicant:

Tecnocasa Franchising S.p.A.

Headword:

Evaluating real estate/TECNOCASA

Relevant legal provisions:

EPC Art. 56

Keyword:

Inventive step - calculating the value of real estate using a computer - (no - obvious implementation of non-technical process)

Decisions cited:

T 1463/11, T 0914/02, T 1670/07



Beschwerdekammern
Boards of Appeal
Chambres de recours

Boards of Appeal of the
European Patent Office
Richard-Reitzner-Allee 8
85540 Haar
GERMANY
Tel. +49 (0)89 2399-0
Fax +49 (0)89 2399-4465

Case Number: T 2295/18 - 3.5.01

D E C I S I O N
of Technical Board of Appeal 3.5.01
of 20 July 2022

Appellant: Tecnocasa Franchising S.p.A.
(Applicant) Via Monte Bianco 60/A
20089 Rozzano (MI) (IT)

Representative: Garavelli, Paolo
A.BRE.MAR. S.R.L.
Consulenza in Proprietà Industriale
Via Servais 27
10146 Torino (IT)

Decision under appeal: **Decision of the Examining Division of the
European Patent Office posted on 11 May 2018
refusing European patent application No.
12813997.9 pursuant to Article 97(2) EPC.**

Composition of the Board:

Chairman W. Chandler
Members: A. Wahrenberg
D. Rogers

Summary of Facts and Submissions

- I. The case concerns the applicant's appeal against the examining division's decision to refuse European patent application No. 12813997.9 (published as WO 2014/080432) for lack of inventive step (Article 56 EPC).
- II. In the statement setting out the grounds of appeal, the appellant requested that the decision to refuse the application be set aside and that a patent be granted on the basis of the refused set of claims. The appellant did not request oral proceedings.
- III. In a communication pursuant to Rule 100(2) EPC, the Board tended to agree with the examining division that the invention in claim 1 did not involve an inventive step (Article 56 EPC).
- IV. In a letter of reply, the appellant provided further arguments in favour of the inventive step of the claimed subject-matter. The claims were not amended and there was no request for oral proceedings.
- V. Claim 1 reads:

"System for implementing a process for economically evaluating real estate, said process comprising:

- a first batch step (F1) for pre-processing data present on at least one database of real estates for providing pre-processed data adapted to be used in a following step of on-line computing an economic value of at least one certain real estate;

- a second on-line step (F2) of computing and providing an evaluation of the mean economic value of at least one of such real estate in a certain geographic zone depending on such pre-processed data; and

- alternatively, a third step adapted to determine and locate homogeneous geographic areas through which it is possible to select at least one sample comprising only real estate comparable with and pertaining to said certain real estate and define value interpolation bands, or a third step of using predefined homogeneous zones;

wherein said first step (F1) comprises the sub-steps of:

- providing (F101) said data from said database of real estate in at least one first pre-set data structure;

- geo-locating (F103) at least one of said real estate, said step (F103) of geo-locating at least one of said real estate providing that all addresses of said real estate are subjected to a Geographic Information System, GIS, for a geo-coding, saving the results in a second pre-set data structure;

- processing (F105) said collected data for homogeneous areas from estate agents and computing a trend of at least one of said areas;

- processing and analysing (F107) expense availability data arrived at said estate agents on said homogeneous areas;

- verifying (F109) the coherence of said data;

- processing (F111) said real estate data for said homogeneous areas for determining a mean offset of said economic value depending on one or more corrective parameters;

- processing (F113) mean sales times data of real estate on said homogeneous areas; and

- providing (F115) upon request said data to said second step (F2);

and wherein said second step (F2) comprises the steps of:

- providing (F201) geographic location data of said at least one real estate and a set of parameters P1, P2, P3, P4, where P1 is the radius value of a circumference whose centre is a point located from said geographic location data, P2 is a number of real estate contained within a minimum radius R1, P3 is a number of real estate contained within a minimum radius R2, and P4 is a comparison value of such minimum radius R2;

- locating (F203) from said database of real estate all said real estate being present within a radius equal to P1 from a point located from said geographic location data and included in the homogeneous zone where said real estate is present;

- from said step (F115) taking (F205) at least data related to said homogeneous area in which said real estate, defined by said geographic location data, resides;

- locating (F209) a first minimum radius R1 containing at least one number P2 of real estate and at least one second minimum radius R2 containing at least one number P3 of real estate all belonging to a same category;

- standardising (F211) said data so that, if $P4 < R2$, then real estate contained within said first radius R1 are taken into account, standardising them with the area parameter in order to cancel the difference in category, otherwise the real estate contained within said second radius R2 are taken into account, related only to the required category, and standardising the real estate values depending on parameters of said homogeneous area;

- statistically computing (F213) a minimum economic value and a maximum economic value of said real estate; and

- providing (F215) at least the results of said computation;

- said system (1) comprising:

- storage means (3) of said database of real estate;

- first processing means (5) adapted to pre-process data present at least on said database of real estate for providing pre-processed data;

- at least one remote device (7) equipped with at least one caller application that requests on-line, through at least one Web Service, WS, interface (9) residing on a web server, an economic evaluation of at

least one real estate identified through a geographic location thereof; and

- second processing means (11) adapted at least to statistically compute an economic value of said real estate at least depending on said geographic location;

- wherein said first processing means (5) are adapted to geo-locate at least one of said real estate, process said collected data for homogeneous areas from estate agents and compute a trend of at least one of said areas, verify the coherence of said data, process said real estate data for said homogeneous areas for determining the mean offset of the economic value depending on one or more corrective parameters, and process mean sales times data of real estate on said homogeneous areas."

VI. The appellant's arguments can be summarised as follows:

The claimed system comprised technical means for performing several technical steps involving technical data including:

- "processing (F105) said collected data for homogeneous areas ...", the homogeneous areas being calculated through technical algorithms;
- "processing and analysing (F107) expense availability data ..." the data being computed technically;
- "processing (F113) mean sales times data ..." the data being aggregated and made available by means of technical algorithms;
- "providing (F201) geographical location data and a

set of parameters P1, P2, P3, and P4 ...", which were technical by definition;

- "locating (F209) a first minimum radius R1 containing at least one number P2 of real estate and at least a second minimum radius R2 containing at least one number P2 of real estate belonging in the same category";

- "standardising ... data..." which was a technical computation using technical parameters to obtain technical results;

Although its end result was an economic value, the computer-implemented method involved technical computations using technical means, and it was specifically designed to support technical operations. Therefore, the claimed invention solved a technical problem through the use of technical means; the problem could not have been solved manually without a computer.

Reasons for the Decision

1. The invention concerns a system for automatically determining the value of real estate. The system looks at prices of other properties in the same geographical area, and at parameters such as view and location in the building (ground floor, penthouse, etc.).
2. The process implemented by the system of claim 1 has:
 1. An offline batch preprocessing step for adapting real estate data in a database for the processing in step 2; and

2. An online step for calculating the economic value of a real estate property in a certain geographical area, using the preprocessed real estate data.

There is also a third step which includes determining and locating homogenous geographical areas comprising similar properties. Although defined as an alternative step in claim 1, the homogeneous areas determined in the third step are used in both the first and second steps which are mandatory.

3. More specifically, the preprocessing step (step 1) in claim 1 includes geo-locating and geo-coding items in the real estate database using GIS (Geographic Information System), processing and analysing data from estate agents relating to trends and "expense availability" (a term whose meaning is unclear to the Board) of real estate in homogenous geographical areas, and determining the mean offset of the economic value depending on various corrective parameters. The preprocessing also includes processing data relating to the time it takes to sell a property, but this data does not seem to be used.

The second (online) step comprises finding, in the database, real estate located in a homogeneous area within a given radius around the geographical location of the real estate property to be evaluated, obtaining data relating to the homogeneous area, "standardising" the data, and computing a minimum and a maximum economic value of the real estate property.

4. The claimed system comprises storage means, first processing means for carrying out the preprocessing, a remote device for requesting through a Web service an economic evaluation of a real estate property based on

its geographical location, and second processing means for carrying out the second step, i.e. calculating the economic value of the real estate based on the geographical location.

5. The examining division considered that the claimed system provided a straightforward automation of a business method. Determining the value of real estate was considered to be an economic activity which did not solve a technical problem.

The only technical features that could be identified in claim 1 was processing, storing, and transmitting data in a client-server environment with a Web interface. The remaining features were considered to relate to non-technical subject-matter excluded under Article 52(2) and (3) EPC. According to the established practice, such non-technical features could not contribute to inventive step. They would instead be given to the skilled person as part of the framework of the technical problem to be solved.

The closest prior art was considered to be a generic client-server environment with a Web interface. Alternatively, D1 or D2 could be used as a starting point for inventive step.

The examining division considered that the technical problem solved by the invention was the implementation of the non-technical scheme of evaluating real estate. Since the implementation would have been straightforward and obvious for the skilled person, an inventive step was denied.

6. The appellant argued, in the grounds of appeal and essentially again in reply to the Board's

communication, that the claimed system performed technical operations on technical data. In the appellant's view, the processing, aggregating, and analysing of real estate data and "expense availability" data involved technical algorithms, and the computations were performed "technically" i.e. using technical means. It would not have been possible to perform the calculations manually.

The appellant furthermore argued that the data defining a geographical location (coordinates) and a geographical area (a radius around a centre point) were technical by definition, and that the "standardisation" of data was also technical.

7. The Board is not convinced by the appellant's arguments. In the Board's view, the claimed invention does not produce a technical effect that goes beyond the implementation of a business method on a networked computer system.

Determining the economic value of real estate is inherently non-technical. Indeed, it is an activity normally performed by a real estate agent lacking technical knowledge and skill. In other words, this activity falls within the domain of the "notional business person" defined in T 1463/11 - *Universal merchant platform/CardinalCommerce*, and may thus be put in the problem formulation. The fact that the determination of the real-estate value involves mathematical calculations does not matter, because mathematical methods are also excluded under Article 52(2) EPC. Other non-technical activities defined in Article 52(2) such as performing mental acts, playing games, and doing business frequently involve mathematical calculations.

The fact that the calculations cannot in most circumstances be performed purely mentally or manually using pen and paper is not decisive for assessing technical character. The sheer complexity of a method does not render the method technical (see for example T 914/02).

Using a computer for aggregating, analysing, and processing data is technical, but merely using a computer for performing a method is not enough to make the whole method technical (see for example T 1670/07 - *Shopping with mobile device/NOKIA*), point 9). There has to be a further technical effect beyond this.

The Board does not see anything technical in the data or the way in which it is processed. Geographical data just indicates a location, which is not technical *per se*. The "standardisation" of data in claim 1 is part of the non-technical method of calculating the value of real estate and addresses the non-technical problem of real-estate belonging to different "categories" being included in the calculation. In any case "standardisation" of data so that it can, for example, be compared with other data is a normal step in a computer-implemented algorithm.

8. The Board furthermore agrees with the examining division that the implementation of the non-technical process of evaluating real estate on the prior art computer system would have been routine for the skilled person who is a computer programmer. The claim does not contain any details of the implementation which go beyond standard methods of data processing and providing web services.

9. For these reasons, the Board agrees with the examining division that the subject-matter of claim 1 lacks an inventive step (Article 56 EPC).

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairman:



T. Buschek

W. Chandler

Decision electronically authenticated