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D E C I S I O N
of 24 July 2003

Case Number: T 1177/00 - 3.5.2

Application Number: 94101534.9

Publication Number: 0619565

IPC: G07B 17/00

Language of the proceedings: EN

Title of invention:

Automated transaction system with insertable cards for
downloading rate or service program data

Patentee:

PITNEY BOWES, INC.

Opponent:

NEOPOST LTD

Headword:

-

Relevant legal provisions:

EPC Art. 56

Keyword:

"Stay of proceedings on divisional patent until parent case
settled - (no)"

"Referral of question of stay to Enlarged Board of Appeal -
(no)"

"Inventive step - (yes)"

Decisions cited:

-

Catchword:

-



Case Number: T 1177/00 - 3.5.2

D E C I S I O N
of the Technical Board of Appeal 3.5.2
of 24 July 2003

Appellant: NEOPOST LTD
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Decision under appeal: Interlocutory decision of the Opposition
Division of the European Patent Office posted
30 October 2000 concerning maintenance of
European patent No. 0619565 in amended form.

Composition of the Board:

Chairman: W. J. L. Wheeler
Members: R. G. O'Connell
J. H. P. Willems

Summary of Facts and Submissions

I. This is an appeal by the opponent as sole appellant from the interlocutory decision of the opposition division posted 30 October 2000 which found that, account having been taken of the amendments made by the proprietor during the opposition proceedings, European patent 619 565 and the invention to which it relates met the requirements of the EPC. The opposed patent, subject of this appeal, was granted pursuant to a divisional application whose parent was still the subject of proceedings in the EPO at the date of this decision.

II. Independent claims 1 and 7 are worded as follows, claim 7 being shown here as an amended version of claim 1 to facilitate comparison:

1. "An automated transaction system comprising a transaction terminal (20) having a receiving slot (11) for insertion by a user of a portable user card (10) having a microprocessor (60) therein, an operating section (30) in the terminal (20) for executing terminal functions including the function of transacting an item of value through the terminal, said operating section being arranged to perform a user card confirmation procedure with said microprocessor (60), and an input device (31) connected to the terminal (20) for enabling a user to input a request for an item of value to be transacted through the terminal, wherein:

a plurality of portable rate cards is provided, each rate card (90) having a memory (92) embedded therein for storing rate information corresponding

to a respective one of a plurality of different transaction services to be transacted through said terminal, and a data output device (93) connected to the memory;

a second receiving slot (91) is provided in the terminal for receiving the rate cards (90);

the terminal includes connecting lines for establishing a connection between its operating section (30) and the data output device (93) of a rate card (90) inserted in the second receiving slot (91) in the terminal;

the operating section (30) of the terminal includes a stored program for executing a verification procedure for verifying that a rate card inserted by the user corresponds to a selected transaction service for which an item of value is requested, and a rate calculation procedure for calculating the transaction service value of a requested item using the rate information stored in the memory (92) of the inserted rate card (90); and

a value dispensing section (40) is provided with the terminal (20) for dispensing a requested item of the selected transaction service in accordance with the transaction service value calculated in the rate calculating procedure executed by the operating section (30) of the terminal, which is operable to cause the transaction service value to be recorded in the user card (10)."

7."An automated transaction system comprising a transaction terminal (20) having a receiving slot (11) for insertion by a user of a portable user card (10) having a microprocessor (60) therein, **and** an operating section (30) in the terminal (20) for executing terminal functions including the function of transacting an item of value through the terminal, said operating section being arranged to perform a user card confirmation procedure with said microprocessor (60), ~~and an input device (31) connected to the terminal (20) for enabling a user to input a request for an item of value to be transacted through the terminal,~~ wherein:

a plurality of portable ~~rate~~ **service** cards (~~100~~) is provided, each ~~rate~~ **service** card (~~90 100~~) having a memory (~~92 102~~) embedded therein for storing ~~rate~~ **service program** information corresponding to a respective one of a plurality of different ~~transaction~~ services to be transacted through ~~said~~ **the** terminal, and a data output device (~~93 103~~) connected to the memory;

a second receiving slot (~~91 101~~) is provided in the terminal for receiving the ~~rate~~ **service** cards (~~90 100~~);

the terminal (~~20~~) includes connecting lines for establishing a connection between its operating section (30) and the data output device (~~93 103~~) of a ~~rate~~ **service** card (~~90 100~~) inserted in the second receiving slot (~~91 101~~) in the terminal;

the operating section (30) of the terminal (~~20~~) includes a stored program for executing a

verification procedure for verifying that a ~~rate~~ **service** card inserted by the user corresponds to a selected transaction service for which an item of value is requested, and a ~~rate~~ **service** program calculation **utilization** procedure for calculating **using** the transaction service ~~value~~ program ~~of a~~ requested item ~~using the rate service information~~ stored in the memory (~~92~~ **102**) of the inserted ~~rate~~ service card (~~90~~ **100**); and

a value dispensing section (40) is provided with the terminal (20) for dispensing a requested item of the selected transaction service in accordance with the transaction service ~~value~~ **program** calculated in the ~~rate service calculating~~ procedure ~~executed~~ **used** by the operating section (30) of the terminal, which is **further** operable to ~~cause~~ **calculate** the transaction service value **and** **cause it** to be recorded in the user card (10).

III. The following prior art documents featured in the decision under appeal:

D1: EP-A-0 137 737

D2: EP-A-0 018 116

D3: GB-A-2 066 736

D4: FR-A-2 549 989.

IV. Oral proceedings were held before the board on 24 July 2003.

V. The appellant opponent requested that the proceedings be stayed until the parent case was finally settled or until the Enlarged Board of Appeal had answered the questions to be referred to it as reproduced at VII below (main request); or that the patent be revoked (auxiliary request).

VI. The respondent proprietor requested that the appeal be dismissed and that the patent be maintained.

VII. The appellant opponent argued essentially as follows:

(a) Stay of proceedings - questions to Enlarged Board of Appeal

If the board was not minded to stay the present proceedings pending final settlement of the proceedings relating to the parent case, the following questions should be referred to the Enlarged Board of Appeal:

"1. Darf ein Trennpatent erteilt oder bestätigt werden, so lange sein Schutzgegenstand (aufgrund einer unterbliebenen Abgrenzung) noch in dem im Einspruchsverfahren steckenden Stammpatent beansprucht wird?

2. Wenn ja: Kann dann die Doppelpatentierung durch Abgrenzung der Ansprüche des Stammpatents verhindert werden, gegebenenfalls unter welchen Bedingungen (Zustimmung des Einsprechenden?)"

(1. May a divisional patent be granted or maintained while its subject matter is still claimed (by reason of

failure to delimit) by the parent patent which remains the subject of opposition proceedings?

2. If yes, can in this case double patenting be prevented by delimiting the claims of the parent patent, and if so, under which conditions (opponent's agreement?)?). (Board's translation).

The justification for the stay was that a person who had opposed the parent patent but not the divisional might be disadvantaged if the subject matter he had opposed was granted in appeal proceedings relating to the divisional - a forum where such an opponent could not be heard. The appellant opponent in the present case had been obliged to oppose three divisionals in addition to the parent patent and lodge corresponding appeals. In addition the risk of double patenting was great if the scope of the claims of the parent patent was not settled definitively before that of the divisional. The present case could be distinguished from that decided in T 587/98 (OJ EPO 2000, 497) since in the latter case the board found that there was in fact no conflict between the scopes of the respective claims.

(b) Inventive step

Claims 1 and 7 were obvious having regard to the prior art documents, in particular the combination of D1 and D3.

The two floppy disks of the closest prior art document D1 were the technical equivalent of the user and rate cards of claim 1 respectively. The 'plurality' in

claim 1 had no technical significance since only one rate card could be inserted in the terminal at a time. D1 described a terminal suitable for use in the environment of a single large firm; if it needed to be used in a situation where a plurality of rate cards was appropriate this would be done as a matter of course as an organisational adaptation not a technical innovation. Such business method features have to be ignored in the assessment of inventive step. Furthermore a verification procedure was required even when only a single rate card is involved in order to detect an expired card. Such a procedure was indispensable in any practical system and thus implicit in D1.

Substituting a microprocessor or smart card for a floppy disk was a straightforward technical development at the priority date of the opposed patent (1986). The card 110 in D3 was, in effect, a smart card used in similar context; it contained a descending register which was explicitly referred to as being implementable in electronic form. Thus the smart card option was known in this context to the respondent proprietor, who was also proprietor of D3, since 1979, the priority date of D3, published in 1981.

No inventive significance could be attached to the feature that the user card and operating section of the terminal included a stored program for executing a user card confirmation procedure and also a verification procedure and a rate calculation procedure. Every microprocessor had a stored program and these could be resident or downloadable from eg weigh bill cards. In

D1 (page 10, lines 5 to 13) an identification procedure was disclosed for the rate floppy disk.

Hence Claim 1 was seen to be an aggregation of trivial features without any synergistic effect. The same considerations applied *mutatis mutandis* to claim 7.

VIII. The respondent proprietor argued essentially as follows:

Stay of proceedings

There was no justification for a stay. There was no issue of double patenting since the subject matters of all four patents were distinct, eg the printer was not in the claims of the parent case. There would be no difficulty in defining a distinct scope for the claims of the parent patent at a later stage and the present appellant opponent would be free to argue in that case without any diminution of rights. In fact the more divisionals were granted definitively, the easier it became to define the residual scope of the parent claims. The fact that a person who did not oppose the divisional patent might be at a disadvantage was the normal consequence of not filing an opposition to a patent, whether a divisional or otherwise.

Inventive step

D1, the document representing the closest prior art, disclosed a mailing system for use internally in a large company, not a transaction system intended for use by multiple users. The D1 system used a dual floppy disk drive to input an operating system (drive A) and to provide a transaction record (drive B), eg daily or

longer. The dual drive was also used to update postal rate data on one disk from another. The automated transaction system claimed in the opposed patent was distinguishable from this closest prior art by seven significant features:

- (i) a card having a microprocessor; a floppy disk as used in D1 was not a card, much less a smart card;
- (ii) a user confirmation procedure;
- (iii) a plurality of rate cards;
- (iv) embedded memory
- (v) a stored program on the card
- (vi) a rate-card verification procedure
- (vii) transactions performed on a user card; in D1 transactions were performed on a system disk.

Hence, starting from the closest prior art D1, seven steps were required to arrive at the automated transaction system of claim 1.

The present invention was based on the recognition that a smart card could be used to solve the different problem of providing a secure multi-user transaction system. It was important to remember that smart cards were not widely used at the priority date of the opposed patent (1986). In particular the card of D3 was

not a smart card. It did not have a microprocessor and would not be capable of performing the invention. The remaining documents D2 and D4 were even less relevant.

Reasons for the Decision

1. *Admissibility.*

The appeal is admissible.

2. *Stay of proceedings and questions to the Enlarged Board of Appeal*

- 2.1 The first question which the appellant opponent wishes to be put to the Enlarged Board of Appeal is one which, in the judgement of the board, has a clear answer, namely that the earlier (parent) application does not have procedural priority. Apart from being deemed to have the filing date and priority date of the earlier application and having to meet the requirements of Article 76 EPC, a divisional application is an application like any other; in particular it does not have a subordinate procedural status. The spectre of double patenting raised by the appellant opponent in the second question is entirely hypothetical and, as pointed out by the respondent proprietor, the sooner the claims of at least some members of the family are settled the easier it becomes to see whether there is an issue of possible identity of scope of granted claims to be addressed. If and when such an issue arises in concrete form it will fall to be dealt with by the competent opposition division or board of appeal as the case may be. Accordingly the present board does

not consider that a stay of proceedings is justified or that a decision of the Enlarged Board of Appeal is required on either of the proposed questions.

3. *Inventive step*

3.1 The sole substantive issue in this appeal is that of inventive step. There are neither new claims nor prior art nor substantially new arguments on appeal. It is common ground that the arguments on claim 1 apply *mutatis mutandis* to independent claim 7. The board will therefore confine its considerations to the pivotal reasoning in the decision under appeal (paragraph bridging pages 5 and 6) relating to claim 1, which is also rehearsed fully in the parties' submissions above. The key question boils down to whether it was obvious for the person skilled in the art to replace the two floppy disks of the mailing system of document D1 - undisputed closest prior art - by a user card having a microprocessor capable of providing the functionality specified in claim 1.

3.2 It represents a special difficulty in this case that this question has to be answered seventeen years after the priority date, a period during which the smart card has become a standard resource for the skilled person and an everyday object in daily life. The normal need to avoid a hindsight judgement of inventive step is thus particularly acute. The board has therefore been wary of imputing any common general knowledge in the art to the skilled person other than that which is documented on the file. Hence the board is not persuaded by the appellant opponent's argument that the smart card was a straightforward development from the

floppy disks used in D1. No evidence was adduced that there was such a development in the common general knowledge in the art in 1986. Instead the appellant opponent relies on D3 as disclosing what he considers to be a smart card and thus providing the skilled person with the means to adapt the mailing system of D1 to arrive at the automated transaction system of claim 1 of the opposed patent. Once again it is true that, in retrospect, the printed circuit board 500, referred to as a card and shown in Figure 9 of D3, might be regarded as a precursor of a smart card given the number of onboard electronic components it contains. However, this card, even its most complex form containing a postal meter descending register, is still an information storage or memory card. It has neither a microprocessor nor a processing capability. To that extent it is a card counterpart of the floppy disks in D1, which also are pure memory devices, and falls short of providing a pointer or suggestion for the skilled person in the direction of the opposed patent claim.

- 3.3 The board concludes therefore that the appellant opponent has not shown that, having regard to the state of the art, the subject matter of claim 1 or claim 7 was obvious to a person skilled in the art and hence failed to show cause why the decision under appeal should be set aside.

Order

For these reasons it is decided that:

1. The request to stay the proceedings is rejected and the request to refer the questions to the Enlarged Board of Appeal is rejected.
2. The appeal is dismissed.

Registrar:

Chairman:

D. Sauter

W. J. L. Wheeler