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**Datasheet for the decision
of 1 December 2006**

Case Number: T 0254/04 - 3.5.01

Application Number: 97917657.5

Publication Number: 0891594

IPC: G06F 17/60

Language of the proceedings: EN

Title of invention:

Automated system and method for checkless check transaction

Applicant:

ELECTRONIC DATA SYSTEMS CORPORATION

Opponent:

-

Headword:

Check transaction/ELECTRONIC DATA SYSTEMS

Relevant legal provisions:

EPC Art. 56

Keyword:

"Inventive step - no"

Decisions cited:

-

Catchword:

-



Case Number: T 0254/04 - 3.5.01

D E C I S I O N
of the Technical Board of Appeal 3.5.01
of 1 December 2006

Appellant: ELECTRONIC DATA SYSTEMS CORPORATION
5400 Legacy Drive
H3-3A-05
Plano, TX 75024 (US)

Representative: UEXKÜLL & STOLBERG
Patentanwälte
Beselerstrasse 4
D-22607 Hamburg (DE)

Decision under appeal: Decision of the Examining Division of the
European Patent Office posted 21 July 2003
refusing European application No. 97917657.5
pursuant to Article 97(1) EPC.

Composition of the Board:

Chairman: S. Steinbrener
Members: R. Zimmermann
A. Pignatelli

Summary of Facts and Submissions

- I. European patent application number 97 917 657.5 concerns an automated system and method for checkless check transaction. It claims a priority date from 1996 and was published as PCT application WO-A-97/36254.

The search report drawn up in respect of the application cited, inter alia, the following documents:

V. Franca et al.: "A Station for Capture, Processing and Storing of Documents" in Proceedings of 6th Mediterranean Electrotechnical Conference (MELECON '91), Ljubljana, 22-24 May 1991, vol. II, IEEE 1991, pages 1264-1267 (cited hereinafter as document D2)

WO-A-92/10901, published in 1992 (cited hereinafter as document D3)

- II. In reply to an examination report raising objections of lack of inventive step on the basis of documents D2 and D3, the applicant filed an amended set of claims by letter dated 15 November 2002, claim 1 reading as follows:

"1. An automated point-of-sale transaction system for generating a checkless transaction record from a check tendered at the point-of-sale, comprising:
an input device (200, 202) receiving checking account information (304, 306, 308) and a check amount (302) of a check (300) drawing on a checking account provided in the transaction;
an image capturer (204) for capturing an image of the said check (300);

a database (207) coupled to said input device (200, 202) and said image capturer (204) for electronically receiving and storing said image of said check (300), said checking account information (304, 306, 308), and said check amount (302);
an electronic transaction processor (206) for electronically forwarding said image of said check (300), said checking account information (304, 306, 308), and said check amount (302) to an institution (208) drawn on by said check (300)."

III. The examining division refused the application for lack of inventive step. According to the reasoned decision dated 21 July 2003, document D3 already disclosed an electronic check presentment system for generating a checkless transaction record from a check tendered at a POS (point of sale). To improve the system, the skilled person would consider it obvious to turn to document D2. This document disclosed an electronic check processing system for capturing and storing the digital image of a bank check in a database, allowing subsequent access to the check data for research and verification purposes. Taking the check image in addition to the other check data increased security and efficiency of the electronic check presentment system and freed the user from the burden to handle and retain the check physically in paper form.

IV. The appellant (applicant) lodged an appeal against the refusal decision by filing the notice of appeal, including a debit order in respect of the appeal fee, on 22 September 2003 and the written statement setting out the grounds of appeal on 21 November 2003.

The appellant requested that the decision under appeal be set aside and a patent be granted on the basis of claims 1 to 16 as filed with letter of 15 November 2002 (main request), or of claims 1 to 16 as filed during oral proceedings before the Board on 1 December 2006 (auxiliary request).

The auxiliary request amended the last paragraph of claim 1, reading as follows:

"... an electronic transaction processor (206) for electronically forwarding said checking account information (304, 306, 308) and said check amount (302) to an institution (208) drawn on by said check (300)."

- V. According to the appellant, the invention provided an electronic check presentment system which forwarded all the check data including the check image data from the point of sale to the issuing institution. The application disclosed a checkless transaction and database system located, to this end, on-site at the banking institution or a servicer. The invention allowed eliminating the time-consuming steps of handling and encoding paper checks, but nevertheless warranted continued access to the check image for verification purposes, for example.

The prior art did not encourage the solution of any such problems. Albeit providing and storing check image data in a dedicated central database, located possibly for internal purposes at the location of the bank or insurance institution but not at the point of sale, document D2 was not concerned at all with any automated check transaction and clearing process. The skilled

person would thus have no incentive to combine documents D3 and D2, and even if it did so, the combination would not lead to the novel and inventive transaction system of the present invention.

VI. At the end of the oral proceedings the Board announced its decision.

Reasons for the Decision

1. The appeal complies with the requirements of Articles 106 to 108 and Rules 1(1) and 64 EPC and is thus admissible.
2. The appeal, however, does not succeed since neither one of the requests is allowable, having regard to the requirement of inventive step as set out in Articles 52(1) and 56 EPC.

Main request

3. The invention is to be considered obvious in the light of prior art documents D2 and D3, essentially as already reasoned in the decision under appeal.
 - 3.1 Document D3 discloses an automated point-of-sale transaction system (see document D3, figure 2, "point of sale system 210" and the summary, page 3, line 30 to page 4, line 11), which generates a checkless transaction record ("data record for this transaction", see page 5, line 25 to page 6, line 9, and page 8, lines 12 to 22). The prior art system also comprises an input device (POS terminal 201) for receiving data encoding the checking account and check amount

information (see page 6, lines 4 to 6) as well as a database coupled to the input device for storing the information (data file, see page 8, lines 12 to 23). According to the different embodiments disclosed in document D3, the check data may be maintained by POS terminal 201, sent to backroom processor 204, or uploaded to a clearing house (see page 8, lines 12 to 35). In any case, the check data are processed and electronically forwarded to the institution (bank or clearing house) which completes the check transaction and clearing process.

- 3.2 The system of present claim 1 is distinguished from this check transaction system of document D3 only in that an image of the check is taken at the point of sale in addition to the checking account and check amount data, and is, together with these other check data, stored in the database and transmitted to the appropriate clearing or banking institution.
- 3.3 As explicitly indicated in document D2, providing a (digital) image of bank checks has various advantages. It permits an automatic cheque validation and the development of a signature database (document D2, page 1265, right-hand column, lines 3 to 6). It may play an important role in the whole transaction process, in clearing, visualization, and retrieval of checks (see document D2, page 1266, right-hand column, first paragraph). More generally, in almost every business sector, document handling can be automated by replacing the physical document by its (digital) image, leading to reduced costs and delays (see document D2, Abstract and section 1, Introduction).

3.4 In the light of document D2, it is thus an obvious step to add the very same functionality to the system of document D3, namely taking the image of the check, storing it together with the other check data in the database, and transmitting it to the appropriate banking institution.

3.5 The appellant's argument that document D2 merely disclosed a central database specifically for use within an individual banking institution but not suitable for operation at various points of sale does not convince the Board.

Document D2, section 6, Transmission (see page 1266, right-hand column with figure 4) clearly points to sending check images over a network connecting various "stations" for "clearing" purposes, as well as for "visualization and retrieval of checks stored in different banks". The skilled person taking up the idea from document D2 and trying to extend the D3 system by digitising and transmitting the image of the check in addition to the checking account and check amount information would not have to overcome any technical problem or prejudice, but simply to follow the red line clearly visible from document D2.

3.6 For these reasons, the claimed invention is judged to lack inventive step. Hence, the main request cannot be allowed.

Auxiliary request

4. Neither, however, is the auxiliary request allowable. This request differs from the main request only in the deletion of a positive claim feature (the feature

concerning the transmission of the check image to the issuing institution), which does clearly not provide any independent technical contribution over the prior art. Therefore, lack of inventive step still exists in respect to the auxiliary request.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairman:

A. Wolinski

S. V. Steinbrener