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Datasheet for the decision of 7 March 2014

Case Number: T 1597/09 - 3.5.01

Application Number: 97927749.8

Publication Number: 979474

IPC: G06F17/60

Language of the proceedings: EN

Title of invention:
SYSTEM AND PROCESS FOR PRICING FINANCIAL INSTRUMENTS

Applicant:
CITIBANK, N.A.

Headword:
Pricing financial instruments/CITIBANK

Relevant legal provisions:
EPC 1973 Art. 56

Keyword:
Inventive step - (no)

Decisions cited:
T 0077/92

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Case Number: T 1597/09 - 3.5.01

D E C I S I O N
of Technical Board of Appeal 3.5.01
of 7 March 2014

Appellant: (Applicant)	CITIBANK, N.A. 399 Park Avenue New York, New York 10043 (US)
Representative:	Johansson, Lars-Erik Hynell Patenttjänst AB Patron Carls väg 2 683 40 Uddeholm (SE)
Decision under appeal:	**Decision of the Examining Division of the European Patent Office posted on 23 March 2009 refusing European patent application No. 97927749.8 pursuant to Article 97(2) EPC.**

Composition of the Board:

Chairman: S. Wibergh
Members: R.R.K. Zimmermann
P. Schmitz

Summary of Facts and Submissions

I. European patent application number 97927749.8 (International publication number WO 97/45803 A1) claims priority from a U.S. patent application filed on 31 May 1996 for a relationship management system and process for pricing financial instruments based on a customer's relationship with a financial institution.

II. The examining division refused the application in oral proceedings, giving the reasons by notification in writing dated 23 March 2009. According to the reasons of the decision, the subject matter of claim 1 was not excluded from patentability essentially because it contained a computer, and thus a technical feature. Nevertheless, the patentability was denied for lack of inventive step since there was no inventive contribution in implementing a non-patentable pricing structure only using notorious technical means.

III. The independent claims underlying the impugned decision read as follows:

"1. An integrated financial system for a financial institution, the system comprising a single account that includes a plurality of account components wherein each account component has a time of opening and a time of statement cycling and wherein each account component of the plurality of account components has an associated price based on fees and premium/discount rates and wherein the associated price is also based on a customer's total relationship to the financial institution; and a relationship management system, the relationship management system comprising: a general purpose programmable computer; means for centralizing the capture, storage and access to the interest rates

for the components to be priced; means for generating a database of component relationships; means for generating relationship balance files; means for determining the pricing of individual components in terms of premium/discount rates applicable for the component at the time of component opening and statement cycling based on the customer's total relationship to the financial institution using the database of component relationships and the balance files; and means for adjusting the associated pricing of individual account components."

"9. A method of pricing a customer's account components in a financial system wherein the account components are grouped into accounts comprising the steps of: centralizing the capture, storage and access to the interest rates for the components to be priced; generating a database of account component relationships; generating relationship balance; determining the pricing of individual account components in terms of premium/discount rates applicable for the component at the time of component opening and statement cycling based on the customer's total relationship to the financial institution."

IV. The appellant (applicant) lodged an appeal against the refusal decision on 19 May 2009, paying the appeal fee on the same day, and filed the grounds of appeal on 13 July 2009. The appellant requested that the patent be granted, based on the claims filed by the letter dated 9 December 2005, i.e. the same claims that were refused by the examining division.

V. According to the appellant, the examining division failed to take full account of the technical contribution provided by the invention to the prior

art. The invention solved the problem of saving time for the bank and reducing the risk of error by providing an integrated financial system improving the pricing structure that was faster than the prior art and made it easier for the bank to truly understand the relationship of its customers to the bank. Saving time and reducing the risk of error were acknowledged as technical by the case law, for example in T 77/92 (not published in OJ EPO). All features of the claim, even if non-technical as such, cooperated in solving this technical problem and thus all together contributed to inventive step. The examining division's argument that the person skilled in the art would receive a requirement specification from the person in charge of improving the pricing structure could not be right since it presumed that someone would simply tell the skilled person how to make the invention.

Reasons for the Decision

1. The appeal, although admissible, is not allowable since the reasons of the decision under appeal are valid and accordingly the requirements for granting a patent are not met.

2. Claim 1 defines a financial system for a financial institution which essentially serves the purpose of providing a close control of the customer's financial situation as follows for example from the section "Summary of the Invention" at page 7 f. of the international publication. The system implements the banking concept of "relationship pricing" of customers as summarised in independent method claim 9 (see point III. above). Such concepts and methods belong to methods of doing business which are cited in Article 52 (2) (c) EPC, and which lack technical character.

3. The only clearly technical feature in claim 1 is a "general purpose programmable computer". Such a computer - even if merely programmed to carry out a business method - is a technical invention. However, providing software "means", "components" or "engines" implementing the individual features of the business method is common practice and does not provide an inventive contribution to the prior art, whether or not the business method itself is innovative. Thus the examining division was not wrong to state that the skilled person would receive as a requirement specification the (business) steps of the claim. This is nothing but the standard way the Boards of Appeal assess inventive step for inventions comprising non-technical features.

4. Saving time and reducing the risk of error, effects argued by the appellant, appear to be speculative in the light of the disclosure of the financial system. Such effects in general are notorious advantages of the automation of business processes if properly implemented and would not distinguish the claimed computer implementation from any other normal information system. Besides, time saving and error reduction are not per se technical effects. The technical character would require that these effects are somehow relevant to a specific technical problem solution. The only technical solution in the present case is a common form of computer implementation of a banking concept; for the computer implementation as carried out by a programmer, however, saving time and reducing errors for the bank are, even if due to the implementation rather than to the underlying banking concept, obtained as a matter of course. The alleged

advantages of the claimed method of pricing and financial system do thus not support inventive step.

5. It follows that present claim 1 does not meet the requirement of inventive step (Article 56 EPC 1973).

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar: The Chairman:

T. Buschek S. Wibergh

Decision electronically authenticated