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**Datasheet for the decision  
of 12 November 2013**

**Case Number:** T 0225/11 - 3.5.03

**Application Number:** 01917877.1

**Publication Number:** 1275262

**IPC:** H04Q7/38, G06K5/00, G06K17/00,  
G07F7/02, G07F7/08

**Language of the proceedings:** EN

**Title of invention:**  
Optical payment transceiver and system using the same

**Applicant:**  
Harex Infotech Inc.

**Headword:**  
Payment transceiver/HAREX

**Relevant legal provisions:**  
EPC Art. 84, 123(2), 56  
RPBA Art. 13(1)

**Keyword:**  
"Main request - not clearly allowable - not admitted"  
"Auxiliary request - inventive step (no)"

**Decisions cited:**

**Catchword:**



**Beschwerdekammern  
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Chambres de recours**

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Case Number: T 0225/11 - 3.5.03

**D E C I S I O N  
of Technical Board of Appeal 3.5.03  
of 12 November 2013**

**Appellant:** Harex Infotech Inc.  
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**Representative:** Lempert, Jost  
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**Decision under appeal:** **Decision of the Examining Division of the European Patent Office posted on 27 August 2010 refusing European patent application No. 01917877.1 pursuant to Article 97(2) EPC.**

**Composition of the Board:**

**Chairman:** F. van der Voort  
**Members:** T. Snell  
R. Menapace

## Summary of Facts and Submissions

- I. This appeal is against the decision of the examining division refusing European patent application No. 01917877.1, with international publication number WO 01/69346 A.

The refusal was based, *inter alia*, on the ground that the subject-matter of claim 1 of the only request did not meet the requirement of inventive step pursuant to Article 52(1) in combination with Article 56 EPC. The examining division referred, *inter alia*, to the following documents in its decision:

D1: WO 98/33343 A

D2: WO 98/34203 A

- II. The appellant filed a notice of appeal against the above decision.

With the statement of grounds, claims of a new main request and an auxiliary request were filed. The appellant implicitly requested that the decision be set aside and a patent be granted on the basis of the claims of either the main or the auxiliary request.

The appellant further requested reimbursement of the appeal fee because "the lack of justification of the decision, which may be equated to a non-justification, ... implies a serious procedural error".

Oral proceedings were conditionally requested.

- III. In a communication accompanying a summons to oral proceedings the board gave a preliminary opinion in which objections were raised pursuant to Articles 84,

123(2) EPC, and Article 52(1) in combination with Article 56 EPC against the independent claims of both requests.

- IV. With a response to the board's communication, dated 14 October 2013, the appellant filed claims of a new main request.
- V. Oral proceedings were held on 12 November 2013. At the oral proceedings the appellant submitted claims of a new auxiliary request.
- VI. The appellant requested that the decision under appeal be set aside and that a patent be granted on the basis of claims of a main request as filed with the letter dated 14 October 2013 or, in the alternative, on the basis of claims of an auxiliary request as filed during the oral proceeding on 12 November 2013.

The appellant withdrew the request for reimbursement of the appeal fee.

At the end of the oral proceedings, the chairman announced the board's decision.

- VII. Claim 1 of the **main request** reads as follows:

"A substituted card issuance system including a portable terminal as a card substitute payment unit for settlement, the card issuance system comprising:

a card company server of a card company, for

a. receiving a substitute card issuance application filled in by an applicant;

- b. producing card information for substituting conventional card information;
- c. requesting a mobile communication company server to ascertain whether a portable terminal is possessed by the applicant at the time when the substitute card issuance application has been submitted;
- d. if the designated portable terminal is possessed by the applicant, encrypting the produced card information by an encrypting program in the card issuance system;
- e. transferring the encrypted card information via *[sic]* mobile communication network to the designated portable terminal; and

a portable terminal for

- f. receiving the transmitted card information;
- g. storing the received card information securely;
- h. checking if the card information has been normally input and then displaying a confirmation message on a screen in order to confirm the card issuance receiving the transmitted card information."

Claim 1 of the **auxiliary request** reads as follows:

"A substituted card issuance system including a portable terminal as a card substitute payment unit for settlement, the card issuance system comprising:

- a. a card company server of a card company, for
  - a1. receiving a card issuance application filled in by a customer to use a portable device as a substituted card;
  - a2. producing card information in the card company;
  - a3. encrypting the produced card information by an encrypting program in the card issuance system;

- a4. transferring the encrypted card information to a designated portable terminal; and
  
- b. the system checking a normal operation state and approving the card information stored portable terminal to be used as a substitute card if the encrypted card information has been completely stored in the portable terminal;
  
- c. a portable terminal for
  - c1. receiving the transmitted card information;
  - c2.- storing the received card information in a memory region of the portable terminal which for safety reasons of card information is not accessible by a user; and
  - c3.- displaying a confirmation message on a screen in order to confirm the card issuance after approval."

## **Reasons for the Decision**

### *1. Admissibility of the main request*

In accordance with Article 13(1) RPBA, "Any amendment to a party's case after it has filed its grounds of appeal or reply may be admitted and considered at the Board's discretion. The discretion shall be exercised in view of inter alia the complexity of the new subject-matter submitted, the current state of the proceedings and the need for procedural economy". In line with the established case law of the boards of appeal, one of the criteria for admitting further amendments to a claim at a late stage of the appeal proceedings, in the present case one month before the oral proceedings, is whether or not the claim is prima

facie allowable.

In the board's judgement, claim 1 of the main request is prima facie not allowable for the reasons set out below.

*1.1 Clarity (Article 84 EPC)*

In the board's view, claim 1 prima facie lacks clarity in several respects:

In respect of step a., it is unclear whether the feature "[a card company server for] receiving a ... card application filled in by an applicant" (board's underlining) should be understood as being limited to steps performed electronically, or whether it embraces an applicant filling in a form and handing it in manually.

In respect of step b. ("producing card information for substituting conventional card information"), it is unclear what is implied by the term "conventional", and it is further unclear whether "substituting ... card information" should be understood in the sense of replacing existing card data or as new data produced as an alternative to card data.

In respect of step c., it is unclear whether the feature "to ascertain whether a portable terminal is possessed by the applicant at the time when the substitute card issuance application has been submitted" (board's underlining) requires data representing the time of possession to be examined in addition to "possession" data.

In respect of step h., the feature "in order to confirm the card issuance receiving the transmitted card information" is unclear because a "card issuance" is not apparently an entity capable of receiving.

1.2 *Article 123(2) EPC*

Claim 1 also includes amendments which are prima facie not directly and unambiguously derivable from the application as filed, contrary to Article 123(2) EPC:

In step c., the feature "to ascertain whether a portable terminal is possessed by the applicant at the time when the substitute card issuance application has been submitted", insofar as concerning the feature "at the time ...", is not based on language used in the application as filed. In particular this feature does not appear to be disclosed on page 18, lines 3 to 5, 8 to 10, 13 to 17 and 23 to 25, which are the passages referred to by the appellant in the letter of reply to the board's communication as providing support, since there is no reference to time in these passages. Moreover, this feature, as indicated above in connection with Article 84 EPC, could be given a meaning implying that time data are examined, which is a meaning not supported by the application as filed.

The board notes further that the passage on page 18, lines 2-6 of the application as filed, which is the passage which comes closest to feature c. of claim 1, includes further features relating to the requesting step: *inter alia* a dedicated line is used, and it is ascertained whether a portable terminal in which a residence number and card information is stored is possessed by the card applicant. Feature c. of claim 1 therefore appears to be based on subject-matter



extracted in isolation from features originally disclosed in combination, hence comprising an intermediate generalisation not based on the application as filed.

Step e. reads "transferring the encrypted card information via [*sic*] mobile communication network to the designated portable terminal". This feature is related to the disclosure on page 18, lines 8-17 of the application as filed. However, this passage comprises other features, *inter alia* transmission to a relay via a dedicated line and a call from the relay to the portable terminal. Feature e. therefore appears also to be based on an intermediate generalisation not disclosed in the application as filed.

Feature g. reads "storing the received card information securely". However, the term "securely" is not used in the application as filed which instead uses the wording "stores ... in a memory region which is not accessible by a user" (cf. page 18, lines 17-18). Since the term "securely" is more general, subject-matter appears to have been added which extends beyond the application as filed.

- 1.3 The appellant declined to comment at the oral proceedings on the above points, except to argue that the amendment to feature g. corresponded to the board's interpretation of the feature as previously worded (cf. the board's communication accompanying the summons, point 9.2). However, the board made this comment in order to explain how it intended to interpret an unclear feature for the purposes of examination with respect to inventive step and was not intended as an indication of what it considered to be directly and unambiguously disclosed.

2. As claim 1 of the main request is not clearly allowable, the board used its discretion under Article 13(1) RPBA to not admit the request.

3. *Claim 1 - auxiliary request*

3.1 *Admissibility*

This request was filed during the oral proceedings. The claim appeared prima facie to comply with Article 123(2) EPC. Although not all clarity objections associated with the main request were overcome, the board was in a position to interpret claim 1 in order to be able to give a decision in respect of inventive step. The board therefore used its discretion to admit the request.

3.2 *Claim interpretation*

3.2.1 The term "card substitute payment unit" in claim 1 is interpreted as a unit which is capable of performing payment functions akin to a card, eg a credit card.

3.2.2 The wording "receiving a card issuance application filled in by a customer to use a portable device as a substituted card" is considered to embrace receiving, eg by post, a form filled in by hand. This wording consequently does not imply technical limitations of the card company server. The appellant expressly accepted this interpretation.

3.2.3 The feature "storing the received card information ... in a memory region ... not accessible by a user" is interpreted to mean that the card information is stored in a memory in such a way that it cannot be (easily)

read out or displayed by a user of the portable terminal.

### 3.3 *Inventive step*

3.3.1 The board agrees with the appellant that document D2 represents the closest prior art, since it discloses a portable terminal ("mobile communications unit") which functions as a card substitute payment unit. In this respect, the portable terminal stores financial IDs representing credit or debit accounts, digital money or other financial entities (cf. page 3, lines 15-23). The portable terminal can be used to pay for goods by connecting, according to one embodiment, via an infra-red link, to a cashier terminal (cf. D2, page 11, last paragraph). When purchasing goods, the portable terminal apparently operates in a similar fashion to the portable terminal described in the present application (cf. page 43, line 20 ff. of the present application), albeit that the present independent claims are not directed to the way a payment is carried out but to the way the portable device is enabled to act as a payment device by transferring and storing card information in the device.

3.3.2 D2 is admittedly silent as to the process by which the aforementioned financial IDs are pre-stored in a memory unit within the portable terminal of D2 (cf. page 7, lines 19-23). The problem to be solved may therefore be seen as how to arrange for the financial IDs to be pre-stored in the portable terminal of D2.

3.3.3 The solution to this problem has, in accordance with claim 1 of the auxiliary request, in essence two aspects:

(i) A registration phase in which a user applies to use a portable terminal as a "substitute card". This requires the customer to fill in an application, as a result of which a server produces the required card information, ie the financial IDs.

(ii) A transmitting and storage phase in which the card information is encrypted and transmitted to the portable terminal. Thereafter, the information is stored securely, the correct functioning ("normal operation") is checked, the portable terminal is approved for use as a card, and a confirmation message is displayed to the user.

3.3.4 Re (i): In the board's view, the issuing of data such as the financial IDs of D2 would implicitly be under control of a financial institution, eg a bank. The only technical means required to carry out these registration steps is a server which has to be loaded with card application data and which generates the financial IDs. Such electronic means for producing card data were well-known to the person skilled in art at the priority date. The registration phase therefore does not contribute to inventive step. This was not disputed by the appellant.

3.3.5 Re (ii) The financial IDs have to be transferred to the portable terminal. Since this involves the transfer of sensitive financial data, it would have been obvious to the skilled person that this should occur in encrypted form (cf. D2, page 13, lines 18-20: "the financial ID may be encrypted to further reduce the risk of unauthorized access"). It would be equally obvious that this sensitive data should be stored securely in the portable terminal, ie not easily accessible. Finally, the checking, approval, and confirmation message

displaying steps required by claim 1 would be routine measures considering the sensitive nature of the downloaded data in order to give the user the information that the "card" is enabled and to give him confidence that the download operation was successful (cf. D2, page 8, lines 26-33 for an example of displaying of a verification message on the display of a mobile unit).

3.3.6 The appellant argued mainly that at the priority date of the application (March 2001) it was not obvious to transfer financial data involving the setting up of an account electronically. Even today (2013) a complex procedure is used requiring the presence of the applicant at a bank and the subsequent use of TANs transmitted by post for each transaction in order to ensure the required security. The appellant further disputed that encryption and verification steps were common knowledge for data downloads to a mobile phone at the priority date of the application.

3.3.7 However, the board notes that claim 1 does not require a bank account to be set up, but merely data to be transferred securely to a portable terminal, a much simpler task. Further, since the portable terminal is by nature a communications apparatus, in the board's view the skilled person, who is here a telecommunications engineer with a knowledge of financial applications carried out on portable terminals, would be motivated to arrange for the financial IDs to be transferred to the portable terminal of D2 electronically, all the more so as the portable terminal of D2 when carrying out transactions in any case makes use of electronic data transfer using encryption and verification (cf. D2, page 8, lines 14-18 and 26-33). As to the feasibility of this

approach, the board notes that at the priority date of the application, it was part of the common general knowledge of the skilled person that data could be transferred to the SIM of a mobile phone for data applications running on the SIM using the SIM Toolkit defined by the GSM standards (cf. D1, published in 1998, page 10, line 36 to page 11, line 4). Indeed, as stated in D1 on page 2, lines 26-29, it was known that the data on the SIM could be changed via the air interface using short messages. As this data concerns software applications rather than conventional SMS messages, it follows that the data cannot normally be displayed by the user, and is hence stored "in a memory region of the portable terminal which for safety reasons of card information is not accessible by a user". To the board's knowledge, the SIM Toolkit was conceived even having financial applications in mind. The board therefore concludes that there was no bias or technical prejudice against transferring the financial IDs into the mobile phone of D2 via a mobile communications network.

3.3.8 In view of the above, the board concludes that the subject-matter of claim 1 of the auxiliary request does not involve an inventive step (Articles 52(1) and 56 EPC).

4. *Alleged procedural violation*

In the statement of grounds, the appellant requested reimbursement of the appeal fee because "the lack of justification of the decision, which may be equated to a non-justification, ... implies a serious procedural error". The request for reimbursement was however subsequently withdrawn. The board infers that the appellant no longer wishes to pursue this matter.

As the board sees no prima facie case for considering that the impugned decision was unreasoned to an extent which would have justified the setting aside of the decision and reimbursement of the appeal fee, there is no need to consider this matter further.

5. *Conclusion*

As there is no allowable request, it follows that the appeal must be dismissed.

**Order**

**For these reasons it is decided that:**

The appeal is dismissed.

The Registrar:

The Chairman:



G. Rauh

F. van der Voort

Decision electronically authenticated