Internal distribution code:

(A) [-] Publication in OJ
(B) [-] To Chairmen and Members
(C) [-] To Chairmen
(D) [X] No distribution

Datasheet for the decision
of 15 July 2025

Case Number:	T 1392/20 - 3.5.01
Application Number:	15714898.2
Publication Number:	3123424
IPC:	G06Q20/32
Language of the proceedings:	EN

Title of invention:
REMOTE TRANSACTION SYSTEM, METHOD AND POINT OF SALE TERMINAL

Applicant:
HILLOA LIMITED

Headword:
User device configured to function as PoS terminal/HILLOA

Relevant legal provisions:
EPC Art. 56
RPBA 2020 Art. 13(2)

Keyword:
Inventive step - configuring a user device to act as a
merchant's PoS terminal (yes - non-obvious alternative)

Decisions cited:
T 1463/11, T 1749/14

Case Number: T 1392/20 - 3.5.01

D E C I S I O N
of Technical Board of Appeal 3.5.01
of 15 July 2025

Appellant: (Applicant)	HILLOA LIMITED 1 Canada Square Canary Wharf London E14 5AB (GB)
Representative:	Williams Powell 330 High Holborn London WC1V 7QH (GB)
Decision under appeal:	**Decision of the Examining Division of the European Patent Office posted on 7 January 2020 refusing European patent application No. 15714898.2 pursuant to Article 97(2) EPC.**

Composition of the Board:

Chairman	W. Chandler
Members:	I. Kürten
	D. Rogers

Summary of Facts and Submissions

I.   This appeal is against the examining division's
        decision to refuse European patent application
        No. 15714898.2 for lack of inventive step (Article 56
        EPC).

II.   The examining division held the subject-matter of claim
        1 of all requests to be obvious in view of the skilled
        person's common general knowledge, illustrated *inter
        alia* by the following document:

            D4: Keith Mayes ET AL: "Smart Cards, Tokens,
            Security and Applications", 7 January 2008
            (2008-01-07), Springer US, XP055500061, ISBN
            978-0-387-72197-2.

III.   In the statement of grounds of appeal, the appellant
        requested that the decision be set aside and a patent
        be granted on the basis of the refused main request or
        one of the refused first to third auxiliary requests.

IV.   In a communication under Rule 100(2) EPC, the Board
        expressed its preliminary view that claim 1 of none of
        the requests appeared to involve an inventive step over
        D4.

V.   By letter of 30 November 2023, the appellant filed a
        new first auxiliary request, renumbered the previous
        auxiliary requests, and submitted arguments in support
        of inventive step.

VI.   In the communication accompanying the summons to oral
        proceedings, the Board maintained its preliminary
        opinion on lack of inventive step.

VII. During the oral proceedings, the appellant filed a new main request with amended claims 1 and 14. This request was subsequently replaced at 13:20 hours by a further main request, which amended dependent claim 8 and deleted independent method claim 14. All previous requests were withdrawn.

VIII. Claim 1 of the sole request reads:

A remote transaction processing system including plurality of user devices, a payment service host, and a first data store, the first data store including a user device profile for each of the plurality of user devices, each user device profile including routing data for routing communications to the respective user device;

the payment service host being arranged to receive payment requests for each of a plurality of merchants for payment for a transaction initiated at their respective merchant website,

wherein, upon receiving a payment request designating a user device for a transaction with one of the merchants, the payment service host is arranged to retrieve a Point-of-Sale, PoS, configuration profile corresponding to the merchant and retrieve the user device profile from the first data store corresponding to the designated user device, the payment service host being arranged to communicate a PoS configuration dependent on the PoS configuration profile and on payment information on the transaction including the amount to the user device in dependence on the routing data,

*the user device including a secure element in which a
PoS terminal application is executed and a payment card
reader, the user device being arranged to receive the
PoS configuration for the transaction with the
merchant, configure the PoS terminal application in
dependence on the PoS configuration and to communicate
with a payment card via the payment card reader for
payment of the transaction with the PoS terminal
application to thereby act as the merchant's PoS
terminal on the user device for the transaction with
the merchant and complete a payment transaction,
whereby the payment transaction is sent back to the
payment service host.*

Reasons for the Decision

1.   *The invention*

1.1   The invention concerns online payments ([0001] of the
         published application).

1.2   Typically, when making online payments, customers are
         required to provide their payment card data to the
         merchant, which poses a risk of fraud. On the one hand,
         customers may use stolen card data, which is a risk for
         the merchant. On the other hand, dishonest merchants
         may misuse the card data, which is a risk for the
         customer, [0003], [0004]. To address these issues, the
         invention suggests configuring a user device, such as a
         smartphone, to function as the merchant's point-of-sale
         (PoS) terminal.

1.3   Looking at Figure 5 or 6, a user initiates (2) a
       payment transaction at a merchant's website by
       providing an identifier of their user device. The
       merchant forwards (3) the identifier to a payment
       service host operated for example by an acquiring bank.
       The host retrieves a PoS configuration profile specific
       to the merchant and sends (4) a corresponding PoS
       configuration to the user device based on routing data
       stored in a user device profile. The user device
       configures a payment application according to the
       received PoS configuration and reads (5) a payment card
       using a card reader before processing the transaction,
       [0051] to [0056] and [0091] to [0099].

2.   *Admittance, Article 13(2) RPBA*

2.1   The Board admitted the new request into the proceedings
       under Article 13(2) RPBA, as it found that exceptional
       circumstances were present.

2.2   These arose from the inventive step reasoning in the
       decision under appeal. The examining division relied on
       the skilled person's common general knowledge in the
       field of NFC-enabled mobile phones, with eight
       documents cited merely as illustrative examples.
       However, the use of vague terms like "*standard* NFC
       payment" and "*standard* OTA", along with broad
       references to entire chapters or sections, made it
       difficult for both the appellant and the Board to
       understand what the examining division actually
       considered to form part of this common knowledge and
       how it mapped to the claim features. As a result, a
       meaningful discussion on inventive step was only
       possible during the oral proceedings before the Board.
       The inventive step and clarity objections raised at

that stage directly triggered the filing of the new request.

2.3   In the Board's view, these are cogent reasons justifying the existence of exceptional circumstances within the meaning of Article 13(2) RPBA.

3.   *Amendments, Article 123(2) EPC*

3.1   The amendments in claim 1 are supported by the application as filed, for example paragraphs [0020], [0022], [0023], [0044], [0064], and [0071]. The amendment introduced on appeal, concerning the completion of a payment transaction and its transmission to the payment service host, finds basis in paragraphs [0056], [0086], and [0106].

3.2   Accordingly, the requirements of Article 123(2) EPC are fulfilled.

4.   *Inventive step, Article 56 EPC*

4.1   The Board considers that, among the documents cited in the appealed decision, D4 represents the closest prior art, as it is the only document that suggests using a user device, namely the user's mobile phone, as a card reader in the context of online transactions, with the aim of addressing the typical problems associated with card-not-present payments (see sections 5.4 to 5.6, in particular page 132).

4.2   However, unlike claim 1, the user's phone in D4 functions as a token reader: during a transaction on the merchant's website, the user is prompted to present

their card to the phone, which reads the card and
generates a dynamic code. This code must then be
manually entered by the user into the website, which
forwards it to a verification host (corresponding to
the claimed payment service host) for authentication
(see Figure 5.6). In other words, the phone supports
user/card authentication, but does not act as a Point-
of-Sale (PoS) terminal capable of completing the
payment transaction by directly communicating with the
payment service host.

4.3   Accordingly, claim 1 differs in that:

       1) The payment service host receives a payment
       request identifying a specific user device for a
       transaction with the merchant and retrieves a
       corresponding user device profile, which includes
       routing data for communication with that device.

       2) The payment service host retrieves a PoS
       configuration profile associated with the merchant
       and sends a corresponding PoS configuration to the
       user device based on the routing data.

       3) The user device configures a PoS terminal
       application within a secure element based on the
       received PoS configuration, enabling it to act as
       the merchant's PoS terminal and complete the
       payment transaction by communicating directly with
       the payment service host.

4.4   The examining division considered the PoS configuration
       profile to represent a set of business rules or
       preferences defined by the merchant. They also held
       that deploying such preferences to the user device as
       in features 1) to 3) was a straightforward

implementation of a non-technical business requirement on a generally known payment system architecture.

4.5   The Board takes a different view. While the abstract goal of avoiding the transmission of card data to the merchant may come from the business person, features 1) to 3) define a specific technical solution for achieving it. In particular, the payment service host is configured to retrieve a PoS configuration associated with the merchant and to send it to the user device, which then configures a secure application accordingly. This enables the user device to read card data and communicate directly with the payment service host to complete the transaction.

These steps involve modifying the existing system infrastructure, including how the user device is configured and integrated into the payment flow. Such changes require technical knowledge of the system architecture and fall within the expertise of the technically skilled person — not the business person, who may define the desired business objective but lacks the competence to specify the structural and functional changes needed to implement it (T 1463/11 - *Universal merchant platform/CardinalCommerce,* T 1749/14 - *Mobile personal point-of-sale terminal/MAXIM*, point 5).

The Board therefore concludes that features 1) to 3) contribute to the technical character of the invention and must be assessed for obviousness in light of the prior art.

4.6   The appellant argued that features 1) to 3) enhanced security by ensuring that the card data was sent directly from the user device to the payment service host, thereby bypassing the merchant.

The Board is not convinced that this results in a
security advantage over D4. In D4, a unique dynamic
code is generated from the card data by a cryptographic
module for each transaction (see sections 5.5 and 5.6
of D4). Since the merchant receives only this code, the
card data likewise remain protected from the merchant.

4.7   Thus, features 1) to 3) rather provide an alternative
online transaction system in which the user's payment
card data are not shared with the merchant.

Starting from D4, the Board does not see how the
skilled person would arrive at the solution of claim 1.
While the Board agrees with the examining division that
the remote provisioning of software on user devices was
generally known at the priority date, there is no
apparent reason, except in hindsight, to change the
user device's functionality so that it acts as a PoS
terminal directly completing the transaction.

For these reasons, the Board judges that claim 1
involves an inventive step over D4.

4.8   For completeness, the Board notes that none of the
other documents cited in the appealed decision suggest
configuring a user device to act as the merchant's PoS
terminal. Therefore, claim 1 is inventive also over
these documents.

5.   Accordingly, the Board concludes that claim 1 of the
main request involves an inventive step (Article 56
EPC).

Order

For these reasons it is decided that:

1.   The decision under appeal is set aside.

2.   The case is remitted to the examining division with an
        order to grant a patent on the basis of:

            - claims 1 to 13 of the main request, filed at
            13:20 hours at the oral proceedings on
            15 July 2025,

            - description and drawings to be adapted.

The Registrar: The Chairman:

T. Buschek   W. Chandler

Decision electronically authenticated