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D E C I S I O N
of 17 September 1999

Case Number: T 1171/97 - 3.5.1

Application Number: 89313674.7

Publication Number: 0376739

IPC: G05B 19/04

Language of the proceedings: EN

Title of invention:

Collation record generation and control

Applicant/Patentee:

Pitney Bowes Inc.

Opponent:

Francotyp-Postalia GmbH

Headword:

Collation record generation/PITNEY BOWES

Relevant legal provisions:

EPC Art. 111(1), 104(1), 117
EPC R. 63(1)

Keyword:

"Late filed relevant documents"
"Remittal to the opposition division for further prosecution"
"Different apportionment of costs (no)"

Decisions cited:

-

Catchword:

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Boards of Appeal

Chambres de recours

Case Number: T 1171/97 - 3.5.1

D E C I S I O N
of the Technical Board of Appeal 3.5.1
of 17 September 1999

Appellant: Francotyp-Postalia GmbH
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Decision under appeal: Decision of the Opposition Division of the
European Patent Office posted 18 November 1997
rejecting the opposition filed against European
patent No. 0 376 739 pursuant to Article 102(2)
EPC.

Composition of the Board:

Chairman: P. K. J. van den Berg

Members: R. Randes
V. Di Cerbo

Summary of Facts and Submissions

- I. European patent No. 0 376 739, incorporating independent claims 1 and 6 and claims 2 to 5 appended to claim 1, was granted on 6 September 1995.

Claim 1 as granted reads as follows with the Board's identification of the features of the characterising part:

A material processing system comprising a plurality of material processing stations (12, 17, 18, 19, 20, 21), and means (13) for transporting articles to be processed serially through said processing stations to a given order, each of said processing stations comprising a data and control processor (160 or 194 as the case may be), and there being a communication path interconnecting each said data and control processor with the data and control processor of the next preceding and next succeeding material processing station in said given order;

characterised in that:

- (e) each said data and control processor (160, 194 as the case may be) comprises means for controlling material processing at each respective station,
- (f) means for signalling the data and control processor of the next previous station that the respective station is ready to receive material to be processed therefrom,

- (g) and means for directing data to the data and control processor of the next succeeding station concerning material processing steps that have been taken in the respective station on material to be passed to the next succeeding station
- (h) as well as data said processor may have received from the data and control processor of the next previous station concerning material processing steps that had previously been taken on said material to be passed to the next succeeding station.

Independent claim 6, identifying a material processing method, corresponds to system claim 1.

II. The appellants (then opponents) filed a notice of opposition and requested revocation of the patent on the ground of lack of inventive step under Article 100(a) EPC. They cited inter alia the following documents:

D1: EP-A-0 208 998

D2: US-A-4 564 102.

III. The opposition division rejected the opposition by a decision dated 18 November 1997.

The opposition division made the following analysis of the two documents cited:

"Document D1 discloses a material processing system comprising a plurality of material processing stations,

and means for transporting articles to be processed serially through said stations.

In D1, several workstation computers are connected together in a serial closed communications loop with an orchestrater computer. In other words, this is a master-slave arrangement, the orchastrater computer being the master. Indeed, D1 makes it clear that the station computers report operating and test conditions to the orchestrater, and the orchestrater computer issues commands."

"In document D2 a plurality of machine tools are disposed along a circulating conveyor which transports materials on pallets to be processed by machine tools. The material selector sub-systems 31 - 36 are interconnected by an information transmission loop for the exchange of information concerning material on the conveyor 2 and information concerning the position of the said material on the conveyor 2. As noted in the passage from line 33 of column 3, information concerning the material on a pallet is transmitted to the downstream material selector sub-systems by way of an information transmission loop.

In each downstream sub-system, the data relating to the material is stored in an input/output buffer 83 and then stored in a material tracking file 84. In this manner, material data are transmitted sequentially from the upstream material selector sub-system to be stored in the material tracking file 84 in each of the downstream material selector-sub-systems.

The material tracking file contains details of

requested material which has been reserved and is passed to the requesting station along the communication link. This operation may involve passing the file via several intermediate stations until it arrives at the requesting station."

The opposition division considered document D2 to be the closest prior art. However, it concluded that this document did not disclose the characterising features (g) and (h) of claim 1. Moreover, D2 (column 4, lines 19 to 22) did not disclose a "ready to receive" signal (cf. feature (f) of claim 1) as alleged by the appellants (then opponents), but merely a signal "material is required".

According to the opposition division there were no indications at all in D2 that data, concerning processing steps which had to be performed in any particular sub-system, were transferred to the downstream material selector sub-system. Therefore, it was considered that the subject-matter of the invention could not be suggested by document D2, even when taken in combination with D1.

IV. The appellants lodged an appeal against the decision, paid the prescribed fee and filed a statement of grounds in time. They requested that the decision be set aside, the patent be revoked and also requested oral proceedings as an auxiliary request.

V. With the statement of grounds of appeal the appellants additionally cited two documents,

D4: DE-A-3 731 525

D5: EP-A-0 103 730,

which had not been cited in the proceedings before the opposition division.

According to the appellants, however, these documents were very relevant and their teaching could be used in combination against the inventive step of the present invention or could even be combined with that of D2.

The appellants agreed that the documents D1 and D2, which both disclosed the subject-matter of the preamble of claim 1 and the characterising feature (e), did not explicitly disclose the features (f) to (h). However, they were of the opinion that both of these documents disclosed means which were suitable for performing the same operations as the means according to the features (f) to (h) of the present claim. Therefore, it appeared that the teaching of each of the documents D1 and D2 would lead the skilled man in an obvious way to the present invention.

The appellants stated that the late cited documents D4 and D5 also both disclosed the system of the preamble of claim 1 as well as the characterising feature (e). Furthermore, they were of the opinion that D4 additionally disclosed at least the characterising feature (f) and that document D5 disclosed the characterising features (g) and (h). They expressed the opinion that the skilled man would combine the teaching of the two documents and, therefore, easily arrive at the invention. Alternatively the teaching of the documents D4 and D5 could be combined with that of document D2.

VI. The respondents contested the appellants' arguments in a letter filed on 27 July 1998. In particular, regarding the documents D1 and D2, they pointed out that there was no indication at all in D2 that data concerning the processing steps performed at any subsystem was transferred to the downstream material selector sub-system. It was, therefore, considered that the subject-matter of the invention could not be suggested by document D2, even taken in combination with D1.

Considering the documents D4 and D5, both cited for the first time in the proceedings, the respondents saw "(only) two possible outcomes", which were identified as:

- (a) D4 and D5 are considered to make no material difference to the decision. They should then not be taken into account and should play no further part in the proceedings.
- (b) D4 and D5 are considered sufficiently relevant possibly to have a material effect on the outcome. The matter should then be remitted to the opposition division to allow the matter to be considered by two instances. An award of costs should be made in the proprietor's favour.

As to the substance of document D4 the respondents argued as follows:

"D4 relates to a mailing machine comprising a feeder, a weighing module and a postage meter. The postage meter is set for a mailpiece only after the weighing step for

that mailpiece has been completed. The weighing step will not always occupy the same amount of time. The time will vary according to the weight of the mailpiece. Accordingly, the weighing module signals the feeder and postage meter when it has completed the weighing operation. But there is no disclosure of providing the postage meter with either data concerning the processing steps taken by the weighing module (it is only capable of weighing) or of processing steps taken by an upstream station (there is only the singulator which carries out just the task of singulating)."

Concerning document D5 the respondents did not agree to the appellants' allegation that the characterising features (g) and (h) were suggested by D5, and asked the question "why would a person skilled in the art consider that such features were necessary" starting from D4. They observed that "in fact the addition of such features to the mailing machine of D4 would be futile. The machine only comprises three stations. The singulating station can only singulate. The weighing station can only weigh. Further data as provided by features [(g) and (h)] is irrelevant and unnecessary. No plausible reason has been advanced to explain why a person skilled in the art would wish to 'document the process at individual stations' in the system of D4".

The respondents, therefore, submitted that "D4 and D5 should be ignored and the decision be based only on D1 and D2". They requested that the appeal be dismissed and that oral proceedings be held "in the event that the Board considers the appeal to have prospects of success".

- VII. In a communication of 7 May 1999 the Board expressed its preliminary opinion that the two documents D4 and D5 appeared to be relevant and should be allowed into the proceedings. In this new situation it appeared to the Board that it would be necessary to remit the case to the first instance for further prosecution. The Board, moreover, suggested that there were not sufficient grounds for an apportionments of costs incurred by the respondents.
- VIII. Both parties in letters refrained from their requests for oral proceedings, if the case were to be remitted to the first instance for further prosecution. However, the respondents in their letter, filed on 20 July 1999, disagreed with the opinion of the Board that there were not sufficient grounds for an apportionments of costs under Article 104 and Rule 63(1) EPC. They referred to two earlier decisions of the Boards of Appeal, T 326/87 (OJ 1992, 522) and T 611/90 (OJ 1993, 50) in order to convince the Board.
- IX. Thus, the appellants request that the decision be set aside and the patent be revoked.

The respondents request that the appeal be dismissed and they also request apportionment of costs, if the Board accepts the documents D4 and D5 as relevant.

Both parties auxiliarily withdrew their requests for oral proceedings, would the Board decide to remit the case to the first instance for further prosecution.

Reasons for the Decision

1. The appeal is admissible.
2. The Board notes that in the decision of the opposition division, which rejected the opposition, document D2 was considered to represent the closest prior art. It was, however, concluded that the teaching of D2 neither alone, nor in combination with the teaching of D1 would affect the inventive step of the invention as claimed.

The Board can only agree with the decision of the opposition division (cf. under. III above). Thus D2 is not at all concerned with the processing of the material or the separate processing steps as is the invention. Instead it teaches how a material needed for a machine tool subsystem is transported and in particular requested, tracked and delivered to the subsystem. The Board can, therefore, see no direct connection with the present invention. Also, it cannot be seen how the combination of the subject-matter of D2 and D1 could lead the skilled man to the invention. As made clear by the opposition division, the cooperation of processing units described in D1 relates to a master-slave arrangement. Moreover, in contradiction to the invention the apparatus of D1 does not work in an asynchronous way, but performs at least the transport operations from station to station simultaneously (cf. Figure 2 in D1), e.g. clamp bar 61 engages the workpieces at all stations simultaneously and the transfer bar 75 simultaneously transfers them to the next work station.

3. The Board notes that the respondents consider that documents D4 and D5 cited for the first time before the

Board are not relevant and should not be considered at all by the Board (see under VI above). They, however, express the opinion, that if the Board should consider these documents to be relevant, the case should be remitted to the first instance for further prosecution.

The Board, in fact, considers the two documents to be **prima facie** relevant, at least to such an extent that the inventive step of the subject-matter of claim 1 could possibly be challenged.

- (a) The Board agrees with the appellants that the arrangement of D4 (described by the respondents under VI above) appears to comprise a system as defined by the precharacterising portion of claim 1 as well as the characterising feature (e). It, thus, appears that each of the stations of D4 (feeder 50, weighing module 20, postage meter 15) have a control processor (transport control 38, scale electronics 36) and it is made clear in column 17, lines 10 to 13 that the software of the meter may be modified which apparently means that also the postage meter has access to a processor). All these stations are apparently interconnected with each other in a given order.

According to the appellants also the characterising feature (f) is disclosed by D4, at column 9, lines 33 to 35, where it is described how the feeder 50 feeds mailpieces only in response to a signal from scale module 20. Thus the operation is a demand feed operation. Only after a request from the scale module is the operation performed. The appellants also refer to

column 15, lines 12 to 16 and lines 49 to 55 in D4. The references made by the appellants are included in bold in the following two extracts from column 15 of D4 (the Board uses the wording of GB-A-2 195 603, publ. 13 April 1988 which corresponds to D4).

First extract:

"By time T4 scale module 20 will determine the weight of mailpiece mp 1 and compute the corresponding postage amount. Scale module 20 then transmits this postage amount to postage meter 15 over link 15A and postage meter 15 then sets its indicia correspondingly. **When the indicia are properly set postage meter 15 signals transport control 38 at time T5 through link 15 A and scale electronics 36.**"

Second extract:

"It should be noted that it is a feature of the present embodiment that each stage of the above described cycle is initiated by completion of the preceding stage. **Thus transport of mailpieces from feeder 50 to scale module 20 and from scale module 20 to mailing machine 12 is initiated when meter 15 signals that it is appropriately set, and the setting of meter 15 is initiated only when scale module 20 signals the proper postage amount for the mailpieces.** Such asynchronous operation allows system 10 to take advantage of the normal situation where even in batches of mixed weight mail successive mailpieces will frequently have similar weights and postage amounts. In a

synchronous system each cycle must be allotted sufficient time for the worst case situation."

The Board agrees with the appellants that it can be seen from both extracts that feature (f) is at least separately disclosed. From the second extract, moreover, it is understood that the scale module 20, in similarity with the processor according to the characterising feature (g) of claim 1, directs data (weight of the mailpiece) to the data control processor of the next succeeding station, i.e. the postage meter 15.

- (b) The Board agrees with the appellants' opinion that document D5 discloses the system of the prior art portion of claim 1 and the characterising feature (e), or at least discloses a system that is organised in a very similar way. In that respect the appellants argue in the following way:

D5 discloses a production line transport for a plurality of workpiece carriers (11,11a,12,12a). The respective carriers carry different workpieces. Along the production line for workpiece carriers there are at least a feed station and several assembly stations (Figure 1). All stations apparently have corresponding write/read transducer stations 19, 20 (see page 11, last part of the first paragraph). All transducer stations are interconnected over a cable 21 and with a data processing control unit 22. The write/read transducer stations cooperate with information code carrier units 23 on the workpieces or their carriers. The data stored in

the memories of the information code carrier is related to the information data concerning the different working steps that were performed at a station or are going to be carried out at the next station. In order to be able to read out and write the information in the respective transducer stations there must apparently be microprocessors available for those stations. It is also self-evident that every production station must have a processor for controlling the production steps to be performed.

Concerning the characterising steps (g) and (h) the appellants refer to the description of D5, the bridging paragraph between pages 4 and 5, which describes the memory of the information code carrier unit. It is said that it is preferable to have a memory consisting of a PROM as well as a RAM. The PROM will have written coded information relating to the particular workpiece carrier or workpiece. The RAM may contain information which changes as production proceeds, i.e. this information may be added at the different production stations.

From this the appellants, therefore, draw the conclusion that the characterising steps (g) and (h) are disclosed by D5. The Board feels that this interpretation of D5 is supported by the embodiment shown in Figure 4, which discloses an information code carrier unit. On page 11 of D5 (the last part of the first paragraph) an associated text passage states that, "the memory unit 40, thus, can be brought up-to-date at any

one of the stations where it cooperates with a transducer, and progress in respective production steps or measured results or the like can be entered in RAM 42 at suitable stations in the form of binary information" (the Board has used the English text of US-A-4 588 880, published 13 May, 1986 which corresponds to D5).

4. As can be understood from the respondent's arguments (see under VI above) they consider that the skilled man would not combine D4 and D5. They point out that the machine according to D4 consists of only three stations and are of the opinion that data like that identified in the characterising features (g) and (h) of claim 1 cannot be derived from D4. Moreover, they cannot understand how D4 could be combined with D5 and question the motivation to "document the processes at the individual stations" in the system of D4 (see under VI above).

The Board, however, is of the opinion that these two documents disclose features which at least at first sight appear to be very relevant. First it appears to be possible to extract from D5 the general principle that at each production station the data information of the step performed or to be performed at the next station on a workpiece can be added to the record of that workpiece. D4 in turn appears to disclose the advantage of using asynchronous operations (cf under 3(a), second extract), i.e. it discloses that every station performs its production steps independently. This would imply that the stations have to cooperate with each other and must exchange data, e.g. to get information about whether the next station is prepared

to receive material to be processed.

5. Whilst acknowledging the relevance of D4 and D5, the Board does not consider it appropriate that the Board itself makes a final assessment of the inventive step having regard to the two new documents. The respondents have requested that, if the Board comes to the conclusion that the documents are relevant, the case should be remitted to the first instance for further prosecution. The Board agrees that the request indicates the correct procedure in this case, since after a remittal according to Article 111(1) EPC the invention could be properly examined by two instances.

In this respect the Board notes that the appellants not only considered the combination of D4 and D5 to lead to the invention, but also the combination of the documents D2, D4 and D5.

6. The Board, therefore, deems it appropriate to remit the case to the first instance for further examination. The opposition division should in a new decision consider the points mentioned above (cf. under reason 5 above).
7. No oral proceedings are necessary, given that both parties withdrew their requests for oral proceedings in the case of remittal to the first instance.
8. As can be seen under VI to IX above (see in particular respondents' "outcome" point (b) under VI) the respondents consider that if the documents D4 and D5 are deemed to be relevant "an award of costs should be made in the proprietor's favour".

Article 104(1) EPC states the principle that each party to the proceedings shall meet the costs he has incurred and that different apportionment of costs can only be ordered for reasons of equity. In the present case the Board has come to the conclusion that the two new cited documents are relevant and that the appellants filed new documents because the documents cited during the opposition proceedings were not considered by the opposition division to be sufficiently strong to affect the patentability of the invention. Thus, the Board is satisfied that the new documents, which became known to the appellants in the course of another search, have not been filed in order to obstruct the proceedings, but because they contain aspects which the opposition division said it did not find in the previously available references: asynchronous processing (D4) and passing along from station to station of a data record of processing steps taken (D5).

For the above reasons the Board is of the opinion that the additional costs the respondents have incurred should at this stage not be held against the appellants, who, in fact, have acted in a quite normal and fair way. Therefore, the Board considers that the question of equity does not arise and there is no reason to deviate from the principle stated above.

It is true, that in the case T 326/87 (OJ 1992, 522), referred to by the respondents, a Board has deemed it appropriate to apportion the costs which were incurred by the respondent's representative in connection with the oral proceedings in the appeal, because the appellant had filed a document too late, i.e. together with the grounds of appeal as in the present case.

However, the Board points out that, according to the cited decision, the costs have been apportioned in the absence of any convincing explanation for the late introduction of the document; for the reasons explained above such a situation is not present in the case under consideration.

In the case T 611/90 (OJ 1993, 50), also referred to by the appellants, indeed, the costs in the future proceedings before the opposition proceedings as well as in any subsequent appeal proceedings were apportioned so that the opponent had to pay the patentee the whole of the costs which were to be legitimately incurred by the patentee in dealing with the case. However, also in that case, where the appellant really raised a fresh case based on prior public use, which was clearly very different from prior publication which had been the basis of the first instance decision, the Board decided on the basis of the principle that the late filing party should bear all the additional costs caused by his tardiness in the absence of strong mitigating circumstances for the late filing of facts, evidence or other matter. It follows that also the latter decision does not apply to the present case.

Order

For these reasons it is decided that:

1. The decision under appeal is set aside.

2. The case is remitted to the opposition division for further prosecution.
3. Respondents' request for apportionment of costs is rejected.

The Registrar:

The Chairman:

M. Kiehl

P. K. J. van den Berg