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**D E C I S I O N**  
**of 23 July 2003**

**Case Number:** T 1176/00 - 3.5.2

**Application Number:** 94101533.1

**Publication Number:** 0619564

**IPC:** G07B 17/00

**Language of the proceedings:** EN

**Title of invention:**

Automated transaction system with insertable cards for transferring account data

**Patentee:**

PITNEY BOWES, INC.

**Opponent:**

NEOPOST LTD

**Headword:**

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**Relevant legal provisions:**

EPC Art. 54, 56

**Keyword:**

"Stay of proceedings on divisional patent until parent case settled - (no)"

"Novelty - (yes)"

"Inventive step - (yes)"

**Decisions cited:**

-

**Catchword:**

-



Case Number: T 1176/00 - 3.5.2

**D E C I S I O N**  
**of the Technical Board of Appeal 3.5.2**  
**of 23 July 2003**

(Opponent)

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**Decision under appeal:**

**Interlocutory decision of the Opposition  
Division of the European Patent Office posted  
30 October 2000 concerning maintenance of  
European patent No. 0619564 in amended form.**

**Composition of the Board:**

**Chairman:** W. J. L. Wheeler  
**Members:** R. G. O'Connell  
J. H. P. Willems

## Summary of Facts and Submissions

I. This is an appeal by the opponent as sole appellant from the interlocutory decision of the opposition division posted 30 October 2000 which found that, account having been taken of the amendments made by the proprietor during the opposition proceedings, European patent 619 564 and the invention to which it relates met the requirements of the EPC. The opposed patent, subject of this appeal, was granted pursuant to a divisional application whose parent was still the subject of proceedings in the EPO at the date of this decision.

II. Claim 1 is worded as follows:

"An automated transaction system comprising a transaction terminal (20) having a receiving slot for insertion of a portable user card (10) therein, and a plurality of user cards issued to different users, each user card having a microprocessor (60) and a memory incorporated therein for performing value transactions through the terminal and maintaining a history of value transactions and user account balance therein, and a data output device (175) connected to the microprocessor of the user card, wherein:

a plurality of master cards (160) are issued for refilling user account balances of user cards (10) via refilling transaction terminals (20)", each master card (160) having a microprocessor (162) and a memory incorporated therein for maintaining a history of refilling transactions and a master account

balance therein, and a data output device (163) connected to the microprocessor of the master card;

a plurality of refilling transaction terminals are provided, each refilling transaction terminal having a first receiving slot (174) for receiving a user card inserted therein and establishing a connection with the user card data output device, a second receiving slot (161) for receiving a master card inserted therein and establishing a connection with the master card data output device, an operating section for performing a set of desired terminal functions, and a first data path for connecting the user card microprocessor of a user card inserted in the first receiving slot with the master card microprocessor of a master card inserted in the second receiving slot of the terminal; and

the user cards and master cards have respective stored programs operable for mutual interaction for executing a refilling transaction between a user card and a master card inserted in the refilling terminal wherein account value from the account balance maintained in the master card is debited and the account balance of the user card is correspondingly credited;

characterized in that:

a master card is assigned to a supervisor card for use in a respective one of the plurality of refilling terminals and is used to maintain a history of refilling transactions executed between the master card and a series of user cards through the refilling terminal;

said supervisor card (170) has a microprocessor (172) and a memory incorporated therein, and a data output device connected to the microprocessor;

each refilling terminal has a third receiving slot (171) for insertion of said supervisor card (170) therein and a second data path for connecting the master card microprocessor (162) of a master card (160) inserted in the second receiving slot (161) with the supervisor card microprocessor (172) of the supervisor card inserted in the third receiving slot of the terminal;

the supervisor card microprocessor (172) and memory includes a stored program for communicating with the master card microprocessor (162) to authorize the master card to execute refilling transactions with user cards through an assigned refilling terminal (20"); and

a transaction history printer is provided and is capable of receiving a user card or a master card therein and producing a printed transaction history record of the account transactions stored in the card."

III. Of the prior art documents which were mentioned in the decision under appeal only the following featured in the appeal proceedings:

D1: WO-A-83/03018.

IV. Oral proceedings were held before the board on 23 July 2003.

- V. The appellant opponent requested that the proceedings be stayed until the parent case was finally settled (main request); or that the patent be revoked (auxiliary request).
- VI. The respondent proprietor requested that the appeal be dismissed and that the patent be maintained.
- VII. The appellant opponent argued essentially as follows:

(a) *Stay of proceedings*

The justification for a stay was that the risk of double patenting was great if the scope of the claims of the parent patent was not settled definitively before that of the divisional.

(b) *Novelty*

The subject matter of claim 1 could, in essence, be regarded as comprising the following four features:

- C1: A funds transaction system between smart cards which interact by means of terminals
- C2: terminals in which user cards can be refilled from master cards,
- C3: these refilling terminals having three different slots for receiving a user card to be refilled, a master card and a supervisory card respectively,
- C4: funds transfer taking place only after authorisation by the supervisory card.

The printer mentioned at the end of the claim had nothing to do with the funds transfer since it did not receive the supervisory card and was a redundant feature.

Prior art document D1 indisputably disclosed features C1 and C2 in the form of several applications (goods purchase (Figures 5 and 6), salary payment (Figures 7 and 8), refilling a cash card (Figures 9 and 10), cash dispenser (Figures 11 and 12), pension payment (Figures 13 and 14)). Each of these different cards had at least one microprocessor which interacted with the microprocessor of the other card by means of the terminal via an ultrasonic coupling (Figure 2). The variety of these applications showed that the skilled person could adapt this technology to various needs without any inventive step being involved. In addition, D1 disclosed the provision of a third card to enhance security in the shape of a "backup storage 46" (Figures 5, 11 and 13 and description page 10, lines 3 to 8). This card was accessible only to the system administrator just like the supervisory card of the opposed patent and it was implicit for the skilled reader that measures were adopted to block transfer of funds if the supervisory card was absent or defective. Hence features C3 and C4 were also known from D1. It should also be noted that the supervisory card of the opposed patent served only as a key, not as a transaction memory. Such key cards having no credit recording function were well known in the field of cash dispensing machines, for controlling entry to factories, etc. The opposed patent itself acknowledged (column 17, lines 4 to 10) that the system would work without this

supervisory card if there were no risk of the master card falling into the wrong hands. The supervisory card had simply the function of a second key as used for safes.

Hence the system defined in claim 1 of the opposed patent was known from D1, or was at least available to the skilled person aware of the various applications of funds transfer cards as known from D1 together with the notorious double key principle for combatting fraud.

(c) *Inventive step*

If the above reading of claim 1 onto the explicit and implicit disclosure of D1 was not accepted, the claim was at least obvious on these grounds.

The relevant objective technical problem proposed by the respondent proprietor: "To provide an automated transaction system in which transactions can be controlled and tracked" was already solved by the D1 system. The opposed patent did not solve any new technical problem; it merely effected business method features relating to suppression of fraud by measures which, as detailed above, were minimally different from those known from D1.

VIII. The respondent proprietor argued essentially as follows:

*Stay of proceedings*

There was no justification for a stay. There was no issue of double patenting since the claims of the patents concerned were not identical. There was no



apparent reason why the proceedings relating to the present case should not advance at the usual speed. Further delay would be unacceptable to the proprietor.

*Inventive step*

It was true that in D1 a third card was provided in the embodiments of Figures 5, 11, and 15. However, in each case the third card was referred to as a "back-up storage card" which indicated an entirely different function from that of the supervisor card in the opposed patent. D1 did not teach or suggest the claimed supervisor card which provided an additional security level in controlling the refill and distribution of value and was a key element of the invention of the opposed patent. There was no disclosure in D1 of any form of stored program in the "back-up storage card" for communicating with a master card microprocessor to authorise the master card to execute refilling transactions as recited in claim 1.

**Reasons for the Decision**

1. *Admissibility*

1.1 Although admissibility of the appeal was not disputed by the respondent, the board makes the following observations:

The decision under appeal posted 30 October 2000 was preceded by an earlier decision posted 28 August 2000 accompanied by a cover sheet (EPO Form 2330) including the formula:

"The Opposition Division - at the oral proceedings dated 11.05.2000 - has decided:

The opposition(s) against the European patent EP-B-0619564 is/are rejected." This formula was in contradiction with the reasoning in the reasons for the decision and its conclusion at point 8 which read: "In view of the above considerations, the Opposition Division decides that the present patent be maintained as amended according to the first Auxiliary Request, Article 102(3) EPC." On 27 October 2000 the formalities officer sent a communication to the parties informing them that both the minutes of the oral proceedings and decision rejecting the opposition were withdrawn and that the corrected version would be issued as soon as possible. The corrected version comprising the same reasons but with an appropriate decision formula (cf point I above) on EPO Form 2327 was posted on 30 October 2000.

- 1.2 The board points out that this action of the formalities officer was *ultra vires* and voidable *ab initio*, the opposition division, and *a fortiori* the formalities officer acting on its behalf, having no power under the EPC to set aside its own decision. The remedy provided in the EPC is a correction of the obvious mistake in the decision pursuant to Rule 89 EPC, which, however, alters neither the date of the decision nor the time limit for appeal. Since the appellant in the present case presumably relied on the EPO communication in regarding the time limit for appeal as post-dated by the purported withdrawal and reissue of the decision, it would conflict with the principle of legitimate expectations generally followed by the EPO Boards of Appeal to regard the appeal as inadmissible

on the grounds that it was not filed within two months from the date of notification of the first decision. The application of this principle in the present case appears justified in view of the fact that the purported withdrawal was on file prior to expiry of the original time limit for appeal thus providing a warning to third parties that an appeal might still be admissibly filed on the basis of the foreshadowed corrected decision.

1.3 The appeal is accordingly admissible.

2. Request for stay of proceedings

2.1 Apart from being deemed to have the filing date and priority date of the earlier application and having to meet the requirements of Article 76 EPC, a divisional application is an application like any other; in particular it does not have a subordinate procedural status. The spectre of double patenting raised by the appellant opponent is entirely hypothetical and, in any case, the sooner the claims of at least some members of the family are settled the easier it becomes to see whether there is an issue of possible identity of scope of granted claims to be addressed. If and when such an issue arises in concrete form it will fall to be dealt with by the competent opposition division or board as the case may be. Accordingly the present board judges that it should allow the public interest in - and party right to - procedural expediency to prevail and allow the present appeal to take its normal course.

3. *Novelty*

The appellant opponent's allegation of lack of novelty is based *inter alia* on reading the term "supervisor card" in claim 1 onto the "back-up storage card" disclosed in D1. This reading is based on an interpolation of the explicit disclosure of D1 based on speculation as to how the operation of the latter system would be affected by the absence of the back-up storage card, and it, in the judgement of the board, does not demonstrate that the "supervisor card", which is defined in the claim by a very elaborate functionality, is the same as the "back-up storage card" of D1. These and other aspects of the appellant opponent's submission on this issue will therefore be dealt with below in connection with the issue of inventive step.

4. *Inventive step*

4.1 In effect the sole substantive issue in this appeal is that of inventive step. There are neither new claims nor new prior art on appeal. The board will therefore confine its considerations to the pivotal reasoning in the decision under appeal (points 5 to 7) relating to claim 1, which is also rehearsed fully in the parties' submissions above. The key question boils down to whether it was obvious for the skilled person to develop the automated transaction system of document D1 - undisputed closest prior art - by giving the third card in D1 the functionality of a supervisor card as defined in the characterising portion of claim 1 thus providing an improved controlling and tracking of transactions.

4.2 The appellant opponent contends that the additional security provided by having the supervisor card authorise transactions between master card and user card is analogous to that provided by an additional key for a safe. In the judgement of the board, this analogy is imperfect because it fails to take account of the fact that in the invention of the opposed patent the supervisor card intervenes to control the interaction between the user card and the master card; the supervisor card is not simply an additional master card analogous to a second key. If the appellant opponent's key analogy is pursued the second key to the safe would need to be able to change the bit in the first key or otherwise control its action. No evidence has been adduced that such a mechanism is known for safe keys much less that the person skilled in the art in the art of automated transaction systems would be aware of it. The very fact that devising a true mechanical analogue would not be obvious is in itself an argument against the idea of the supervisor card being derivable from the teaching of D1 without an inventive step being involved.

4.3 The board concludes therefore that the appellant opponent has not shown that, having regard to the state of the art, the subject matter of claim 1 was old or obvious to a person skilled in the art and hence failed to show cause why the decision under appeal should be set aside.

**Order**

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

1. The request to stay the proceedings is refused.
2. The appeal is dismissed.

Registrar:

Chairman:

D. Sauter

W. J. L. Wheeler