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D E C I S I O N
of 20 September 2005

Case Number: T 0764/02 - 3.5.01

Application Number: 91901390.4

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IPC: G06F 17/60, G07F 7/10,
H04M 17/02

Language of the proceedings: EN

Title of invention:

Method and system for remote delivery of retail banking services

Patentee:

ONLINE RESOURCES & COMMUNICATIONS CORPORATION

Opponents:

- (1) APACS (Administration) Limited
- (2) Abbey National plc
- (3) Barclays Bank plc
- (4) HSBC Bank plc
- (5) Lloyds TSB Bank plc
- (6) National Westminster Bank plc
- (7) Nationwide Building Society
- (8) The Royal Bank of Scotland plc
- (9) Halifax plc

Headword:

Banking Services/ONLINE RESOURCES

Relevant legal provisions:

EPC Art. 54, 56, 112(1)(a)

Keyword:

"Request for allowing a person accompanying the professional representative to make oral submissions (refused)"

"Request for referral to the Enlarged Board of Appeal (refused)"

"Inventive step (no)"

"Problem-solution approach: treatment of non-technical aspects (point 11)"

Decisions cited:

G 0004/95, G 0003/98, T 0636/88, T 0686/90, T 1002/92,

T 0931/95, T 1194/97, T 1053/98, T 0641/00, T 0273/02,

T 1121/02, T 531/03

Catchword:

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Case Number: T 0764/02 - 3.5.01

D E C I S I O N
of the Technical Board of Appeal 3.5.01
of 20 September 2005

Appellant: ONLINE RESOURCES & COMMUNICATIONS CORPORATION
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(Opponent 05) Lloyds TSB Bank plc
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Summary of Facts and Submissions

- I. This is an appeal against the decision of the opposition division to revoke European patent No. 0 504 287.
- II. The following documents will be referred to in the present decision:
- D2: "ITS Develops SHAZAM Bill Payer For Consumer and Merchant Convenience", ITS CURRENT, March 1988, pp. 3-5;
- D9: US-A-4 823 264.
- III. According to the decision appealed the invention as defined in claim 1 as granted was new but did not involve an inventive step. The auxiliary request, concerning amended claims, was refused for the same reason.
- IV. Together with the grounds of appeal, dated 27 September 2002, the appellants requested grant of a patent based on the claims enclosed according to a main request and three auxiliary requests. There were two independent claims in each request, one for a process and one for a corresponding system.
- V. Claim 1 of the main request read:
- "A process for delivering at least one service to a user at least in part using a home terminal (54), the user having an account at a financial institution (64), the financial institution (64) being coupled to other

financial institutions (64), through a financial network (66), the process characterized by the following steps:

- (a) electronically receiving a service request from the home terminal (54);
- (b) at least in part in response to the received service request, generating an electronic request message to credit or debit the user's account at the financial institution (64), the generated message including at least some information that has the effect of guaranteeing the credit or debit;
- (c) electronically routing said request message through the financial network (66),
- (d) effecting, with the financial network (66), a guaranteed electronic credit or debit transaction of funds to/from the user's account at the financial institution (64) substantially in real time based on the routed request message; and
- (e) delivering the requested service to the user."

VI. Claim 1 of the *first auxiliary request* read (differences with respect to the main request in italics):

"A process for delivering at least one service *comprising a bill paying service* to a user at least in part using a home terminal (54), the user having an account at a financial institution (64), the financial institution (64) being coupled to other financial institutions (64), through a financial network (66), the process characterized by the following steps:

- (a) electronically receiving *service requests comprising bill paying service requests* from the home

terminal(54), *bill paying service requests including data identifying payees selected by the user;*
(b)... [etc.]".

VII. Claim 1 of the *second auxiliary request* read (differences with respect to the first auxiliary request in italics):

"A process for delivering at least one service comprising a bill paying service to a user at least in part using a home terminal (54), the user having an account at a financial institution (64), the financial institution (64) being coupled to other financial institutions (64), through a financial network (66), the process characterized by the following steps:
(a) electronically receiving service requests comprising bill paying service requests from the home terminal(54), *bill paying service requests including first to fourth data signals representing respectively the payee, the amount, the terminal identity and the user identity;*
(b)... [etc.]".

VIII. Claim 1 of the *third auxiliary request* was identical with the first auxiliary request except for the addition of the following final feature:

"wherein display data is transmitted to the home terminal from a central computer (52), the transmitted display data completely defining data displayed to the user which enables the user to generate service requests".

- IX. By letter of 8 April 2003, the respondents requested that the appeal be dismissed.
- X. On 16 February 2005 the Board summoned the parties to oral proceedings. It was proposed to discuss various topics such as novelty with respect to D9 and/or the prior art (ATM infrastructure) held to be the closest by the opposition division, and inventive step with respect to the same prior art. The Board announced its intention to apply the problem-solution approach as it was explained in decision T 641/00 - Two identities/COMVIK (OJ EPO 2003, 352).
- XI. In their reply of 18 August 2005 the appellants challenged the jurisprudence cited by the Board. In the appellants' view, when assessing the inventive step the requirement of technicality was automatically considered in the conventional problem-solution approach since it focused on the objective *technical* problem. Hence non-technical factors would be excluded from the assessment of inventive step and it was not necessary to apply any additional "filtration" steps before formulation of the approach. The Board should instead apply the approach taken in decision T 273/02 - IC card/TOSHIBA (not published in the OJ EPO). What was important was how the problem was formulated so as to avoid the introduction of non-technical problems. It was simply wrong to include in the formulation of the objective problem aspects which were *not* known simply because they were not considered technical, as in T 641/00. Features which were not known were not known and had no place in the categorisation of the prior art. If non-technical aspects could not be used to argue *against* the making of a combination, similarly they

could not be used to argue for the making of a combination. Boards other than the present Board had considered the treatment of non-technical features when considering inventive step, for example in decisions T 1002/92-3.4.01 (Queuing system/PETTERSSON; OJ EPO 1995, 605), T 686/90-3.2.03 (Lichtdurchlässiges Bauelement/HETTLING-DENKER; not published in OJ EPO), T 636/88-3.2.01 (not published in OJ EPO), and T 1194/97-3.5.02 (Data structure product/PHILIPS; OJ EPO 2000, 525). In these decisions there was no attempt to include non-technical aspects - whether previously known or not - in the formulation of the technical problem to be solved. If the Board was minded to reject the appellants' submissions it would be appropriate to seek guidance from the Enlarged Board of Appeal by referring the six questions which the appellants had prepared.

- XII. By letter dated 9 September 2005 the respondents remarked that the Board's analysis appeared to be in accordance with case law and announced the presence at the oral proceedings of an accompanying person who was to address certain technical issues.
- XIII. Oral proceedings were held on 20 September 2005. The appellants requested that the decision under appeal be set aside and the patent be maintained on the basis of the main request or auxiliary requests 1 to 3 as filed with the statement of grounds, and requested the referral to the Enlarged Board of Appeal of the questions filed with letter dated 18 August 2005 (fourth auxiliary request).
- XIV. The respondents requested that the appeal be dismissed.

- XV. At the end of the oral proceedings the Board announced its decision.

Reasons for the Decision

1. *Accompanying person*

1.1 With letter dated 9 September 2005 and received by the Office on the same day the respondents announced the presence of a technical expert at the oral proceedings scheduled for 20 September 2005. At the hearing the appellants stated that they had received a copy of the letter only two days before the oral proceedings. This was too late to permit them also to call in an expert, who might have to come from the United States.

1.2 According to the decision of the Enlarged Board of Appeal G 4/95 - Representation/BOGASKY (OJ EPO 1996, 412), order 3(b)(ii), a request for allowing a person accompanying the professional representative to make oral submissions on specific legal or technical issues on behalf of that party should be made sufficiently in advance of the oral proceedings so that all opposing parties are able properly to prepare themselves in relation to the proposed oral submissions.

1.3 In the present case the appellants had at most six working days to make such preparations. This is clearly insufficient. Moreover, since the same expert had accompanied the respondents at the oral proceedings before the opposition division the respondents must have been aware from the start of the appeal

proceedings that they might wish to request this also before the Board.

The Board therefore decided at the beginning of the oral proceedings to refuse the respondents' request to allow their technical expert to make oral submissions on behalf of the professional representative.

The appellants' main request

2. *The invention*

Generally speaking, the invention is a process (claim 1) and a system (claim 21) allowing a user to perform banking operation using a "home terminal". The user sends service requests to a central computer connected to a financial network. Transactions are "guaranteed" in "real time" in order to ensure that the transaction is performed only if sufficient funds are available.

3. *The prior art*

In the decision under appeal "the ATM infrastructure" (without indication of a particular document) was taken as the closest prior art. In the oral proceedings before the Board the respondents chose to start out from such a piece of prior art, namely D2, a document acknowledged in the patent-in-suit (paragraph [0019]) and describing the "SHAZAM Bill Payer". The document states that: "First SHAZAM cards were used at automatic teller machines, then they were used to pay for groceries and gas and soon consumers will be able to pay monthly bills with their SHAZAM cards... With SHAZAM Bill Payer, a consumer will be able to use an

ATM or a designated 'Bill Payer' terminal to pay recurring bills" (p.3, left-hand column). As an advantage it is mentioned that "/in/ the future, the customer may be able to pay bills from their home" (p.4, left-hand column). A customer may select the payee and amount to be paid and the system "will either authorize or deny the transaction based on the information it receives from the customer's financial institution" (p.3, right-hand column).

4. *Novelty*

4.1 The respondents argue that the invention is not new since the only difference which the opposition division found between claim 1 and prior art ATM networks is the claim wording "home terminal", and this is too vague to establish a technical difference over D2.

4.2 The appellants, on the other hand, are of the opinion that D2 does not belong to the proper technical area of home banking since it relates to terminals situated outside the home. The security aspects of such terminals were quite different because the institutions had absolute control over the network but not over home terminals. Moreover, there were technical hurdles in any adoption of a relatively low-user network for use with a network having the capacity implicit in home banking. Finally, it was not evident from D2 that the "Bill Payer" terminals were connected to an ATM network, nor that transactions were performed in real time.

4.3 The Board does not find the appellants' arguments convincing. Already the indication in D2 that "/in/ the future, the customer may be able to pay bills from

their home" excludes the possibility that this prior art belongs to a different technical area than the invention. Also, as the respondents have pointed out, the patent itself rules out a narrow interpretation of the expression "home banking" in referring to "banking type financial transaction handling via remote data terminals located in users' homes, offices or other locations (i.e., 'home banking' or 'remote banking')" (paragraph [0001]).

Nor is it relevant whether electronic banking differs with regard to security or capacity when terminals are located in public places or at home. As already noted, D2 describes one of the possibilities and explicitly suggests the other. If technical problems existed in this respect and the invention aimed to solve them, it should be assumed that claim 1 included corresponding features which could then be taken into account. But the claims contain only the indication "home terminal".

As to the appellants' suggestion that the "Bill Payer" terminals in D2 are not connected to the ATM net (as opposed to the "ATM" terminals) - something which the respondents deny - it may suffice to point out that there is no mention of ATM in the claim, and that the "Bill Payer" terminals must in any case be connected to a network.

D2 does not use the expression "real time" when referring to the authorization of a transaction on the basis of the information obtained from the customer's bank. In the patent-in-suit a "real-time" transaction is one which allows "a real-time electronic guarantee that the bank and/or the ATM network will pay"

(paragraph [0087]). Since the wording "real-time" is used in the description also for cash withdrawals and POS (point-of-sale) transactions (see eg paragraphs [0083] to [0086]), it is clear that it is intended to cover any span of time a typical customer is prepared to wait in front of a terminal. But this is also the situation in D2. Thus, the expression "real time", whatever it might mean in seconds, does not distinguish the invention as claimed from the prior art.

- 4.4 Thus, there remains as only difference between the claimed invention and D2 the indication "home terminal". Even if this terminal may, according to the part of the description quoted above, be located not just in the user's home but also in "offices or other locations", it might be going too far simply to assume that a public ATM or POS terminal would be suitable in every respect for the somewhat different use apparently implied by the expression "home". Thus, giving the appellants the benefit of the doubt, the invention is regarded as new (Article 54 EPC).

5. *Inventive step*

In connection with the described bill paying system D2 suggests that customers will in the future be able to pay bills from their homes. Thus, it was obvious to adapt the known system such that it could conveniently be used at home. Implicit in such an improvement are all features which the term "home banking" might convey to the skilled person. Claim 1 specifies nothing more. It follows that the invention does not involve an inventive step (Article 56 EPC).

The appellants' auxiliary request 1

6. Claim 1 of the first auxiliary request adds to the main request the features of bill paying including data identifying payees selected by the user.

These features are also contained in D2. Thus, this request is also not allowable (Article 56 EPC).

The appellants' auxiliary request 2

7. Claim 1 of the second auxiliary request adds to the previous request first to fourth data signals representing respectively the payee, the amount, the terminal identity and the user identity.

D2 mentions explicitly the need for indicating the payee and the amount. Clearly the system will also need to know identification data of the payor and the terminal, and clearly signals will be used to convey this information. Thus, this request is also not allowable (Article 56 EPC).

The appellants' auxiliary request 3

8. Claim 1 of the third auxiliary request additionally contains the feature "wherein display data is transmitted to the home terminal from a central computer (52), the transmitted display data completely defining data displayed to the user which enables the user to generate service requests." Referring to paragraph [0093] of the patent-in-suit, the appellants have explained that if there is no intelligence in the terminal the security is increased because only

predetermined selections can be input. The description mentions as advantages additional flexibility and low cost. In reply, the respondents argue that this kind of terminal is always used in ATM systems.

The Board is not of the opinion that this feature involves an inventive step. Clearly any terminal connected with a network will receive information from the outside, for example from a central computer, which it may display on the screen. Whether or not *all* displayed information is transmitted to it is, in the Board's view, a simple design choice which the skilled person could make without exercising inventive skill. Thus, this subject-matter does not involve an inventive step (Article 56 EPC).

The appellants' auxiliary request 4

9. The appellants have requested that the following questions should be referred to the Enlarged Board of Appeal:

"1. Should all non-technical features be ignored when considering the novelty of an invention?

2. Is the test for inventive step in the field of computer-related inventions and/or methods of doing business any different from the test in other technical fields?

3. If yes, how does the assessment differ?

4. In any case, is it legitimate when formulating the technical problem to be solved to include in that formulation features which are not in the prior art merely because those features are considered to be non-technical?

5. When considering whether a claimed invention is inventive is it legitimate to strike out from the consideration individual features of the claim because, on their face, they do not appear technical in nature?
6. In any application of the could-would test, can non-technical reasons be used in the argumentation and, if so, to what extent?"
10. With regard to the admissibility of a referral to the Enlarged Board of Appeal, the following is stated in decision G 3/98 - Six-month period/UNIVERSITY PATENTS (OJ EPO 2001, 062, point 1.2.3):

"Pursuant to Article 112(1)(a) EPC, a board of appeal, during proceedings on a case, may refer a question of law to the Enlarged Board of Appeal if it considers that a decision is required. Whereas it is the view of the referring Board which is decisive for assessing whether a referral is required, such assessment should be made on objective criteria and should be plausible. This being so, under Article 17(2), second sentence, RPBA the referral decision must also state the context in which the referred point originated. This is intended to indicate that the referred question does not have a merely theoretical significance for the original proceedings (cf in this respect also Article 112(3) EPC), as would be the case if the referring board were to reach the same decision on the basis of the file regardless of the answer to the referred question."

This means in the present case that a referral of the questions above would most likely be held inadmissible by the Enlarged Board since the Board's findings on the

appellants' preceding requests do not depend on the answers to the questions to be referred. As to question 1, the subject-matter of present claim 1 was decided to be new, and as to questions 4-6 the Board has found that all arguably non-technical features in present claim 1 are known from prior art document D2. Furthermore, question 2 can immediately be answered in the negative due to the well-known fact that Article 56 EPC applies equally to all technical fields, question 3 thereby becoming void. Thus, the prospects of the Enlarged Board of Appeal considering the questions, if referred, are poor.

11. The Board would however like to make the following comments with respect to question 4. The appellants have argued that the jurisprudence on the assessment of inventive step in connection with claim features not contributing to a technical effect, as exemplified by decision T 641/00, is contrary to what other boards are doing in other areas of technology. To demonstrate this point they have cited decisions T 1002/92, T 686/90, T 636/88, and T 1194/97. In each of these four cases, the appellants say, the invention contained non-technical features but the deciding board nevertheless included no such feature, known or unknown, in the formulation of the problem.

- 11.1 It will be recalled that according to decision T 641/00 (*supra*, dated 26 September 2002), "where the claim refers to an aim to be achieved in a non-technical field, this aim may legitimately appear in the formulation of the problem as part of the framework of the technical problem that is to be solved, in particular as a constraint that has to be met" (cf. the

reasons, point 7). The aim may be novel (cf. the reasons, points 12-14). The deciding board noted (reasons, point 7) that this principle was in line with the earlier decisions T 1053/98 (dated 22 October 1999, not published in OJ EPO) and T 931/95 - Controlling pension benefits system/PBS PARTNERSHIP (dated 8 September 2000, OJ EPO 2001, 441).

- 11.2 The appellants have referred to case T 1002/92 (*supra*, decision dated 6 July 1994), concerning a system for determining the queue sequence for serving customers. A customer could choose between being serviced at a particular service point and at any service point. When a service point was free it served customers having selected that particular service point as well as customers having selected any service point, in their order of arrival, but not customers having selected another service point. The closest prior art comprised five independently working turn-number allocating units, one for each service point, so that five parallel queues were organised (cf points VII(b) and VIII(b) of the decision).

The deciding board first observed that the claimed queuing rule was "of an ambiguous nature in that it is as well a step of a method for doing business which may be performed by a mental act as a hardware capacity of the computing means" (reasons, point 2.4). It then went on to state the technical problem as "to provide apparatus means which allow to combine the individually service points of the conventional system into a common pool, wherein each free service point serves a customer in the same numerical sequence of one global turn-number allocation unit (i.e. one common queue for all

service points) and the possibility of selecting one desired service point is maintained" (reasons, point 5.3). Considering that the closest prior art disclosed only separate queues it must be concluded that the deciding board included the new queuing rule in the problem formulation. The technical problem consisted in providing apparatus means which achieved this result.

- 11.3 Case T 636/88 (decision dated 12 March 1992) concerned a method of distributing free flowing material. The material was transported on a ship to a port quay, delivered to a receiving hopper, weighed, and bagged using a bagging apparatus housed in a single transportable module of standard container dimensions. In this way also small and poorly equipped ports could unload the material since the bagging apparatus could be easily transported to the port. The closest prior art was a bagging plant having wheels so that it could be moved around a quay (reasons, point 5.1).

The deciding board saw the technical problem as "the development of a method of distribution of free-flowing material to poorly equipped ports which enabled the transport of the material in bulk" (reasons, point 7). Included in the formulation of the technical problem was thus the aim of distributing such material to poorly equipped ports. This aim was new and non-technical since it reflected the non-technical decision that material should be transported also to poorly equipped ports, a commercial aspect which, as far as can be deduced from the decision, the closest prior art was not concerned with.

11.4 Case T 686/90 (decision dated 21 June 1993) involved a transparent constructional member consisting of two glass plates covering a plastic carrier. On an inner surface of one of the plates a work of art ("Kunstwerk nach Art einer Glasmalerei") had been applied. The closest prior art was a similar member comprising a plate on which a line pattern was printed. The applicant argued that the feature "work of art" contributed to an inventive step (cf. point V of the decision).

Nevertheless, the deciding board formulated the technical problem as providing a transparent constructional member comprising a work of art (reasons, point 5.1).

11.5 Case T 1194/97 (*supra*), finally, concerned a record carrier characterised by its data structure consisting of line numbers, coded picture lines, addresses and synchronisations. These new data structure features rendered the data carrier inventive. However, they were held to be "technical functional features" (reasons, point 3.1) which did contribute to the solution of the problem of retrieving pictures recorded on the carrier. Therefore, this decision has little bearing on the present issue.

11.6 To sum up, the Board finds that the appellants have not succeeded in showing that the approach for assessing the inventive activity outlined in the Board's communication is contrary to the established jurisprudence of the boards of appeal so that a referral might be necessary in order to ensure uniform application of the law. The decisions cited by the

appellants rather suggest that the inclusion of novel non-technical features in the formulation of the technical problem has been a standard facet of the problem-solution approach for at least a good decade. It may be added that, contrary to the appellants' allegations, the principles set out in decision T 641/00 (*supra*) have subsequently been applied by boards in other technical fields (see eg T 1121/02-3.2.04 (Electric fencing element) and T 531/03-3.4.03 (Discount certificates/CATALINA), neither published in OJ EPO).

12. For these reasons the appellants' request for referral of questions 1-6 to the Enlarged Board of Appeal is refused.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairman:

M. Kiehl

S. Steinbrener