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**Datasheet for the decision
of 23 September 2009**

Case Number: T 0588/05 - 3.5.01

Application Number: 99908490.8

Publication Number: 1062610

IPC: G06F 17/60

Language of the proceedings: EN

Title of invention:

Methods and apparatus for intelligent selection of goods and services in telephonic and electronic commerce

Applicant:

West Direct, LLC

Opponent:

-

Headword:

Computer-assisted telemarketing/WEST DIRECT

Relevant legal provisions:

EPC Art. 123(2)

Relevant legal provisions (EPC 1973):

EPC Art. 56, 83, 84

Keyword:

"Inventive step - no"

Decisions cited:

T 0641/00, T 0258/03, T 0424/03

Catchword:

-



Case Number: T 0588/05 - 3.5.01

D E C I S I O N
of the Technical Board of Appeal 3.5.01
of 23 September 2009

Appellant: West Direct, LLC
11808 Miracle Hills Drive
Omaha, NE 68154 (US)

Representative: Klunker/Schmitt-Nilson/Hirsch
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80796 München (DE)

Decision under appeal: Decision of the Examining Division of the
European Patent Office posted 27 December 2004
refusing European patent application
No. 99908490.8 pursuant to
Article 97(1) EPC 1973.

Composition of the Board:

Chairman: S. Steinbrener
Members: K. Bumés
A. Pignatelli

Summary of Facts and Submissions

- I. This appeal is against the decision of the examining division to refuse European patent application No. 99908490.8, published as
- A1: WO-A1-99/46706,
- on the ground of obviousness (Article 56 EPC 1973) citing no specific prior art but relying on general programming skills of a person having to implement business rules formulated by a merchant. The reasons for the decision include an *obiter dictum*: Meeting a "real-time" requirement of the application (i.e. generating a secondary or upsell offer during a primary transaction) either does not require an inventive technical step (Article 56 EPC 1973) or --- if it poses a technical challenge --- has not been disclosed sufficiently (Article 83 EPC 1973).
- II. The appellant requests that the decision under appeal be set aside and that a patent be granted on the basis of claims 1 to 20 as filed on 20 October 2004 (and refused by the examining division), the original specification and the original drawings. In addition, oral proceedings have been requested.

Claim 1 reads:

"1. A method of operating a computer system to identify in real time at least one optimum upsell transaction to offer to a customer (74, 160), the method comprising at least the following:

establishing communication between the computer system (40, 70; 190, 192) and the customer (74, 160);

obtaining primary transaction data (300) related to a primary transaction initiated by the customer (74,

160), the primary transaction data representing at least an identity of the customer (74, 160) and a subject matter involved in the primary transaction;

utilizing the primary transaction data (300) representing the identity of the customer (74, 160) to obtain at least a further data element related to the customer (74, 160);

analyzing the primary transaction data (300) representing the subject matter of the primary transaction and the further data element to identify the at least one optimum upsell transaction; and

generating an offer of the at least one optimum upsell transaction to the customer (74, 160) in real time with the primary transaction."

In the appellant's view, the features of claim 1 involve technical matter beyond programming a system. None of the available prior art documents discloses or suggests the specific method claimed, and the examining division has not cited any piece of prior art. The International preliminary examination report (IPER) drawn up by the USPTO confirms that the original claims 1 to 171 meet all the requirements of patentability. Numerous systems exist for merchandising via communication links, including an on-line book store (Amazon.com) which makes recommendations based on the users' past purchases without, however, involving the features of claim 1.

III. The Board summoned the appellant to oral proceedings. In an annex to the summons, the Board construed claim 1 broadly but recognised the technical character of the claimed method. On the other hand, the application did not appear to enable the reader to identify any novel

technical effect, nor did the Board see any candidate for an inventive technical contribution. The Board also tended to concur with the examining division's *obiter dictum* (see point I *supra*).

- IV. During the oral proceedings, the appellant maintained its request to set the decision under appeal aside and to grant a patent on the basis of claims 1 to 20 submitted with the letter of 20 October 2004, however offered to restrict the scope of claim 1 to a completely automatic operation of the upsell method if the Board considered such an amendment to have prospects of success. A fully automatic operation would be more than a more or less complete implementation of a human sales interaction.

The appellant suggested that any automatic system should be assessed like an electronic circuit ("black box") which converts some information input into information output. Even where the individual components of the circuit are known, the invention resides in their combination to achieve a desired functionality.

- V. The Board pronounced its decision at the end of the oral proceedings.

Reasons for the decision

1. *The application*

The application is entitled "Methods and apparatus for intelligent selection of goods and services in telephonic and electronic commerce" and relates to computer-assisted telemarketing.

- 1.1 During a primary telemarketing transaction (conducted over the phone, Internet or the like), a computer system attempts in real-time to suggest an "upsell", i.e. to offer the potential customer a secondary transaction opportunity in addition to, or in lieu of, the good or service for which the primary contact was made (page 1, lines 11 to 13; page 17, line 30 to page 18, line 1; page 26, lines 24/25; page 37, line 30 to page 38, line 3). For example, a customer may call to have his cellular phone repaired, and the system may determine that this product is sufficiently old that a replacement item should be offered (A1, page 37, lines 23 to 28).

The suggested secondary offer is supposed to present an optimum in terms of probability and profitability of commercial transactions and customer satisfaction (page 11, lines 23 to 27; page 16, lines 21 to 30; page 32, lines 21 to 23).

- 1.2 The thrust of the application is for using recent customer data (obtained from the current primary transaction) and archived customer data in order to tailor a secondary offer to the customer's presumed interests so that the customer is likely to accept an

upsell transaction suggested during the course of the primary transaction (page 31, line 9 to page 35, line 23; Figures 1 and 10).

- 1.3 The computer system may assist a live operator (Figure 2: 42) and is expected to optimise the likelihood of a profitable upsell, benefitting from an [old] psychological observation of salesmen: "the best time to offer incentives or alternatives for purchases [is] when the customer has already manifested a desire or interest to purchase" (page 11, lines 12 to 17; page 24, lines 1 to 20).

2. *Article 123(2) EPC - Original disclosure*

The Board has no doubt about the original basis of the computerised telemarketing concept as claimed.

3. *Article 84 EPC 1973 - Claim construction; support by the description*

- 3.1 While claim 1 sets out to define a method of "operating a computer system", most of its actual steps do not refer to any computer or database component: "obtaining primary transaction data"; "to obtain at least a further data element related to the customer"; "analyzing" the primary transaction data and the further data element to "identify" an optimum upsell transaction; "generating" an offer to the customer in real-time with the primary transaction --- all those steps can be carried out by a human operator interacting with the customer on the phone (see claim 3).

3.2 The broad wording of claim 1 is supported by the broad and extensive description of the application. For instance, "obtaining primary transaction data" covers a telemarketer simply asking the customer questions on the phone - which is indeed envisaged by the application (see e.g. page 18, lines 9 to 12; page 30, lines 6 to 8). The application insists on "functionalities" and rejects any limitation to any technical implementation or contribution (A1, e.g. page 19, line 26 to page 20, line 24; page 27, lines 12 to 14).

4. *Article 52(1)(2)(3) EPC 1973 - Eligibility for patent protection*

The method according to claim 1 operates a computer system and establishes communications between the computer system and a customer. Hence, although the other steps of the claim are not necessarily carried out by the computer system, the method makes use of technical means and, thus, is not a scheme for performing mental acts or doing business as such (T 258/03-*Auction method/HITACHI*, OJ EPO 2004, 575). In addition, the *method* cannot be a computer program as such (T 424/03-*Clipboard formats I/MICROSOFT*, point 5.1).

5. *Article 56 EPC 1973 - Inventive step*

Article 56 EPC 1973 asks for an inventive technical contribution (T 641/00-*Two identities/COMVIK*, OJ EPO 2003, 352). In other words, obvious features and non-technical aspects cannot meet that requirement.

5.1 *Non-technical aspects of claim 1*

In particular the overall purpose of the method according to claim 1 is not technical. The method primarily seeks to maximise an economic profit from a primary transaction with a customer by concurrently offering him a secondary transaction ("upsell") which is tailored to his presumed interests derived from available information, recent and archived, about the customer.

5.2 *Technical aspects of claim 1*

Therefore, an inventive technical contribution (as far as disclosed) might exist only at a lower (e.g. implementation) level where technical features address identifiable technical partial problems, such as the formation or transmission of signals, the receipt, storage, retrieval, processing, structuring and/or outputting of functional data etc.

However, the technical aspects specified or implied in claim 1 pertain to routine data communication and processing techniques and structures in a notorious interactive networked computer system relying on iterative accesses to electronic databases. In particular, real-time access to databases while communicating with a person (customer) is a common technical means for efficient interaction in situations where more and more accuracy, complexity and data volume are desired and accepted based on the availability of increasing computing power.

As an example, the Board quotes from document WO-A-94/21084 (referred to on page 3 of A1):

"integration of computer and telephone technologies has brought many advances in the telecommunications industry. **Functionally integrating human operators with telephone network capabilities, voice and data switching capabilities, computer applications and databases, and voice processing technology, not only provides human operators with immediate access to information from a wide variety of sources,** but allows them to intelligently process each call as well. Telephone switches are linked with computers to coordinate computer information and intelligence with call handling capabilities **to automatically add relevant data,** as well as facsimile, graphics, video or audio communication capabilities"
(paragraph bridging pages 4 and 5, emphasis added).

- 5.3 No specific technical problem is addressed by the application. On the contrary, the description keeps emphasising that the application focuses on functionalities (see point 3.2 *supra*) and that the skilled person knows how to implement them in their context using technical capabilities of existing communication systems (page 9, paragraph 1; page 18, lines 30/31; page 19, line 26 to page 20, line 24; page 21, lines 6 to 21; page 22, lines 4/5; page 23, lines 5 to 9; page 26, lines 17 to 23; page 27, lines 2 to 4 and lines 12 to 20; page 28, lines 9 to 12).
- 5.4 The Board also concurs with the examining division's *obiter dictum*: If on the one hand the real-time operation of a database were understood to have a special technical meaning involving an inventive step, the application would have to enable the skilled person to carry out that operation. In the absence of detailed disclosure, such real-time operation would either be a *desideratum* (contrary to the requirements of

Article 83 EPC 1973) - or a matter of routine to the skilled person (contrary to the requirements of Article 56 EPC 1973). On the other hand, in the present context, "in real time with the primary transaction" merely seems to mean that the upsell offer is made while the potential client is available, which goes without saying.

5.5 Hence, the Board does not see any inventive technical contribution in claim 1, contrary to the requirements of Article 56 EPC 1973.

5.6 Even if all the features of claim 1 were restricted to computer-implemented steps, as tentatively proposed by the appellant (point IV *supra*), the overall functionality would still be commercial and its implementation would be a fully automated interactive networked computer system whose (only) innovation might reside in the cognitive meaning of data extracted from the system's databases.

The appellant's analogy drawn to general electronic circuits does not remove the requirement for a non-obvious technical functionality of the circuit.

5.7 It is true that the IPER is positive but it is based on a business concept ("pairing of two transactions") and disregards the obviousness of the underlying technical/functional features.

Order

For these reasons, it is decided that:

The appeal is dismissed.

The Registrar:

The Chairman:

T. Buschek

S. Steinbrener