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**Datasheet for the decision  
of 28 February 2008**

**Case Number:** T 0619/05 - 3.5.01

**Application Number:** 98938001.9

**Publication Number:** 1008085

**IPC:** G06F 17/60

**Language of the proceedings:** EN

**Title of invention:**

Data processing system and method for facilitating transactions in diamonds

**Applicant:**

Diamonds.Net LLC

**Opponent:**

-

**Headword:**

Facilitating transactions in diamonds/DIAMONDS.NET

**Relevant legal provisions:**

EPC Art. 52(2)(d), 123(2)

**Relevant legal provisions (EPC 1973):**

EPC Art. 21, 56

**Keyword:**

"Addition of non-technical subject-matter (not decided)"  
"Inventive step (no)"

**Decisions cited:**

T 0641/00

**Catchword:**

1. The term "subject-matter", without a qualifier, seems to indicate that Article 123(2) EPC applies to non-technical as well as technical subject-matter. Thus, also any amendments concerning non-technical subject-matter should be derivable from the patent application as filed.

2. Since the members of a board of appeal are only required to be technically (or legally) qualified under Article 21 EPC, it will be up to the applicant (or patent proprietor) to provide evidence permitting a board to determine to its satisfaction how a person skilled in the relevant non-technical field would interpret the original patent application and the application (or patent) after amendment (see points 2.2 to 2.4 of the Reasons).



Case Number: T 0619/05 - 3.5.01

**D E C I S I O N**  
of the Technical Board of Appeal 3.5.01  
of 28 February 2008

**Appellant:**

Diamonds.Net LLC  
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Nevada 89109 (US)

**Representative:**

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**Decision under appeal:**

Decision of the Examining Division of the  
European Patent Office posted 30 November 2004  
refusing European application No. 98938001.9  
pursuant to Article 97(1) EPC 1973.

**Composition of the Board:**

**Chairman:** S. Steinbrener  
**Members:** S. Wibergh  
P. Schmitz

## Summary of Facts and Submissions

- I. This appeal is against the decision of the examining division to refuse European patent application No. 98938001.9.
- II. According to the decision appealed, the invention did not involve an inventive step over conventional networked negotiation systems (Article 56 EPC 1973).
- III. With the statement setting out the grounds of appeal dated 31 March 2005, the appellant requested that the decision be set aside and a patent be granted based on claims 1-7 filed together with the statement of grounds.
- IV. Claim 1 reads:

"A system for listing and facilitating transactions involving diamond stones characterised by weight and further characteristics, said system comprising:  
a first processor (12) having a first data structure (14) storing for each stone offered for sale data of the stone weight, offer price, bid price, seller identification data and further stone characteristics selected from at least two of: i) cut shape, (ii) cut grade, iii) colour and iv) clarity, said processor being arranged to classify said data into classes (16a-16g) of stone data for weight ranges and, for each weight range class, a hierarchy of subclasses terminating in a data array in which stone data for like weights and said at least two selected further selected characteristics is assigned to a designated category position in the array, said classes, arrays and designated category positions within said arrays

thereby providing a basis for comparison of stones, said processor being arranged to compare offer prices, to determine the lowest offer price in each category position and for each lowest offer price to assign the associated stone data to a primary offer position in the array, said array including at least one matrix (22a-22e) of lowest offer prices and highest bid prices in category positions corresponding to combinations of said further characteristics;

a plurality of remote terminals (26a-26c) each including a display (30) and a communications link (24) with said host processor;

means for a seller of a stone to input from a terminal offer data for a stone to be offered for sale; and

means for a buyer of a stone to select from a terminal a weight range class and a category position in said matrix and to enter bid data for a diamond stone in a selected category position,

wherein said host processor is arranged, in response to such a selection of a weight range class, to display at a buyer's terminal the array of lowest offer prices of the matrix corresponding to said selected weight range class, and in response to a bid from a buyer in respect of a stone having a particular combination of said further characteristics as defined by a category position in said array, to compare the bid price with the lowest offer price at that category position in the array and:

a) if said bid matches said lowest offer price at that category position, to communicate a sale over said communication links to the seller and the buyer of said stone and remove said stone data for the sold stone from the data matrix, and to compare the prices of the remaining stone data of said category to determine the

lowest price for the remaining stones and assign the lowest priced remaining stone to the primary offer position in said category and at least provide said seller identification data to the buyer to enable the buyer to contact a corresponding seller, and  
b) if the bid is lower than said offer price to store said bid in the array category and compare said bid with other stored bids to determine the highest bid for the category, and to assign said determined highest bid assigned to a primary bid position in the array category".

V. In a communication annexed to a summons to oral proceedings the Board noted with respect to Article 123(2) EPC (amendments) that according to the described embodiment a class (weight) was divided into subclasses (cut shapes), and these subclasses were divided into further subclasses (cut grades). It would have to be discussed whether the skilled person would have understood from this information that the same kind of structure was provided in a more general manner for the other of the at least two selected further characteristics according to claim 1.

With respect to Article 56 EPC 1973 (inventive step) the Board observed that the exchange trading concept underlying the invention appeared to be a non-technical constraint that by itself did not support an inventive step. Its implementation according to claim 1 using a well-known computer network was in the Board's opinion conventional since the technique of storing hierarchically structured data in arrays or matrices must have been known as such. Thus, the subject-matter of claim 1 appeared to lack an inventive step.

VI. Oral proceedings were held on 28 February 2008. Since nobody appeared, the Board's registrar contacted the attorney by phone and determined that the appellant had simply decided not to attend without taking the trouble to inform the Board. The oral proceedings took place in the appellant's absence.

The Board verified that the appellant had requested in writing that the decision be set aside and a patent be granted based on claims 1-7 filed with the statement setting out the grounds of appeal dated 31 March 2005.

VII. At the end of the oral proceedings the Board announced its decision.

### **Reasons for the Decision**

1. The invention

The invention relates to a system for facilitating transactions involving diamonds. As explained in the description (p.1-3), previously the unique nature of diamonds had frustrated any effort to develop a system by which remotely located sellers and buyers could deal. Typically sellers and buyers had to develop personal contacts. The invention was a system for listing on a world-wide basis actual offers to sell diamonds which took into account the various factors effecting price, which permitted buyers to make bids on specific stones and permitted buyers and sellers to adjust offers and bids to enter into a sales transaction. Sellers could list diamonds for sale anywhere in the world, and

buyers anywhere in the world could bid on diamonds having certain characteristics.

2. *Added subject-matter*

2.1 According to claim 1, which has been amended, the processor is arranged to store, for each stone offered for sale, data of the stone weight, offer price, bid price, seller identification and further stone characteristics selected from at least two of the four characteristics cut shape, cut grade, colour and clarity. In the described embodiment (see eg fig.1 and associated text) all four characteristics are used, whereas original claims 1 to 4 sets out certain - but not all - subcombinations. The question therefore arises whether the application unambiguously discloses the other subcombinations encompassed by the present claim 1.

2.2 The amendment concerns a feature not contributing to the solution of any technical problem by providing a technical effect, since it merely modifies the information about stone attributes to be presented to bidders. It is thus non-technical subject-matter. Article 123(2) EPC stipulates that a patent application may not be amended in such a way that it contains subject-matter which extends beyond the content of the application as filed. The term "subject-matter", without a qualifier, seems to indicate that this Article applies to non-technical as well as technical subject-matter. Thus, also any amendments concerning non-technical subject-matter should be derivable from the patent application as filed. In the case of amendments to a claim this conclusion is additionally



supported by the fact that, according to Article 69 EPC, the extent of protection is "determined by the claims", also without a qualifier.

2.3 A difficulty in this connection is that a technically skilled person might not have the knowledge necessary in order to determine whether non-technical subject-matter has been added or not. Skills in a non-technical field, such as diamond trading in the present case, might be required for deciding this issue. Since the members of a board of appeal are only required to be technically (or legally) qualified under Article 21 EPC 1973, it will be up to the applicant (or patent proprietor) in such circumstances to provide evidence permitting a board to determine to its satisfaction how a person skilled in the relevant non-technical field would interpret the original patent application and the application (or patent) after amendment.

2.4 In the present case the appellant has not provided any proof at all that the amendments would be admissible, since it neither replied to the Board's communication nor was represented at the oral proceedings. In view of this lack of cooperation, the Board would normally come to the conclusion that the doubts raised in its communication were well founded. However, since an examination of the invention according to claim 1 reveals that it does not involve an inventive step (see below), the Board has no reason to investigate this issue further.

3. *Inventive step*

3.1 The appellant has argued that it was previously impossible to trade diamonds because, in contrast to all other commodities, each diamond is unique. The invention therefore proposed to characterize diamonds in multi-dimensional space. This space was continuous since the characteristics of a diamond, such as cut weight, cut grade etc, were of a continuous nature. This led to a technical problem in clustering diamonds so that discrete groups could be constructed.

The Board, however, cannot agree that this task was technical. A description of a diamond, like any description, consists of pure information. Defining classes and subclasses reflecting the hierarchy of the different characterizations is an abstract ordering of data and also non-technical. Whether only one category (weight) is used to describe a diamond, as in prior systems, or at least three, as according to the present invention, is irrelevant from a technical point of view. If this were not so the content of information would determine its technical character, a view having no support in the EPC since Article 52(2)(d) excludes the presentation of *any* kind of information from patentability.

3.2 The appellant has furthermore argued that the discretization process was a technical process that related to the geological and processing qualities of the stone. But claim 1 is not concerned with geological analyses or other ways of determining the parameters of a diamond. The parameter data is simply input to the system for classifying and ultimately trading purposes.

- 3.3 The appellant has observed that revealing the identity of the seller to the buyer was done in order to "satisfy the specific needs of the diamond industry" (grounds of appeal, p.5, penultimate paragraph). This suggests to the Board that the feature was motivated only by commercial requirements, and it is indeed difficult to imagine how providing business data can have any technical relevance. It follows that it is of no importance for an inventive step whether or not the prior art suggests a system permitting diamonds to be traded anonymously, like goods. This task is not technical, nor is the solution involving in particular categorizing diamonds in a hierarchy of groupings.
- 3.4 Thus, the exchange trading concept underlying the invention must be regarded as a non-technical constraint that has to be met in the sense of decision T 641/00 - Two identities/COMVIK (OJ EPO 2003,352). Its implementation according to claim 1 comprising a well-known kind of computer network - made up of a processor, a plurality of remote terminals and a communication link - is undisputedly conventional.
- 3.5 Hence, the subject-matter of claim 1 lacks an inventive step (Article 56 EPC 1973).

**Order**

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

The appeal is dismissed.

The Registrar:

The Chairman:

T. Buschek

S. Steinbrener