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Datasheet for the decision of 18 September 2012

Case Number: T 0281/09 - 3.5.01

Application Number: 98908450.4

Publication Number: 958544

IPC: G06F17/60, G07F19/00

Language of the proceedings: EN

Title of invention:
A CUSTOMER-DIRECTED, AUTOMATED PROCESS FOR TRANSFERRING FUNDS BETWEEN ACCOUNTS USING A HOLDING ACCOUNT AND LOCAL PROCESSING

Applicant:
Citicorp Development Center, Inc.

Headword:
Transferring funds/CITICORP

Relevant legal provisions:
EPC 1973 Art. 56

Keyword:
Inventive step - (no)

Decisions cited:
T 1242/04

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Case Number: T 0281/09 - 3.5.01

D E C I S I O N
of the Technical Board of Appeal 3.5.01
of 18 September 2012

Appellant: (Applicant)	Citicorp Development Center, Inc. 12731 W. Jefferson Boulevard Los Angeles, California 90066 (US)
Representative:	Johansson, Lars-Erik Hynell Patenttjänst AB Patron Carls väg 2 683 40 Uddeholm (SE)
Decision under appeal:	**Decision of the Examining Division of the European Patent Office posted 28 August 2008 refusing European patent application No. 98908450.4 pursuant to Article 97(2) EPC.**

Composition of the Board:

Chairman: S. Wibergh
Members: P. Scriven
P. Schmitz

Summary of Facts and Submissions

I. European patent application 98908450.4 claims a priority date of 4 February 1997. The Examining Division decided to refuse the application on the grounds that there was a lack of inventive step in consideration of documents D1 (US-A-4823264) and D2 (US-A-5448043). The decision was posted on 28 August 2008, and the applicant appeals that decision.

II. In the statement setting out the grounds of appeal, the appellant requested that the decision under appeal be set aside, and that a patent be granted on the basis of a main request, or one of auxiliary requests 1 to 3. The main request and first and second auxiliary requests were identical to those before the Examining Division. The claims of the third auxiliary request were filed with the statement of grounds.

III. The Board sent a communication which set out its provisional view: inter alia that the invention would have been obvious to the skilled person starting from a conventional communications network. The appellant responded by submitting amended claims for the third auxiliary request and arguments in their favour.

IV. The Board arranged oral proceedings for 18 September 2012. At the start of proceedings, the appellant submitted a new main request and withdrew the former main and auxiliary requests. At the end of the proceedings, the appellant stated its final request as: that the decision under appeal be set aside and that a patent be granted on the basis of the main request filed at the beginning of oral proceedings before the Board.

V. Claim 1 according to the sole request reads as follows.

A process for transferring funds from a source account at a first financial institution (26, 132) to a destination account at a second financial institution

(38, 153) through a communications network (28, 134) comprising the steps of:
receiving first data input from a user with an input terminal (22, 128) comprising a display and matching said first data with a record of said source account, the record being stored in a first host system (24, 26, 132),
receiving second data provided from the user with the input terminal (22, 128), the second data indicating a recipient account connected on a second host system (30, 32, 152, 153) and verifying the validity of the recipient account;
receiving third data provided with the input terminal (22, 128), the third data corresponding to a requested amount requested by the user to be transferred from the source account to the destination account, subsequent to receiving authorization to implement the requested transfer, as an inter-bank external transfer which is then processed through a clearing system (36, 151) and then depositing said funds via said clearing system (36, 151) to said destination account in said second financial institution (38, 153),
characterized by
the steps of:
using a front end processor (24, 130) of said first host system (24, 26; 132), to communicate with a front end processor (30; 150) of said second host system (30, 32, 152, 153),
exchanging electronic messages by means of said input terminal (22, 128) and said first and second host systems (24, 26, 132;, 30, 32, 152, 153) via said front end processors (24, 130; 30, 150);
including in said electronic messages data elements corresponding to data required for execution of said funds transferring process;
responding, via said front end processors (24, 130; 30,

150) from said first and second host systems (24, 26, 132; 30, 32, 152, 153), to an electronic message by returning an action code to the input terminal (22, 128), the value of said action code being set corresponding to the condition for proceeding with the requested fund transfer;
determining the next process step dependent on the value of said action code, wherein a predetermined value of said action code represents the condition that the fund transfer proceeds as requested;
and in that
the record being stored in the first host system (24, 26, 132) also includes an indication of a type of currency maintained in the source account;
the communication network (28, 134) maintains a database of current exchange rates which are made available to the first and second host system (24, 26; 132; 30, 32, 152, 153) respectively;
a series of such said electronic messages being communicated between said input terminal (22, 128) and said first host system (24, 26, 132) including messages that by means of said display will prompt the user to make selections of input of data, comprising such said data elements representing the requested amount being input in a selected format corresponding to the type of currency maintained in one of the source account and the destination account;
providing exchange rate from the database maintained by the communication network (28, 134) and fee information from at least one of the first and second host systems (24, 26, 132; 30, 32, 152, 153) at the display of the input terminal (22, 128) prior to receiving approval from the user of the transaction with the input terminal (22, 128),
and by depositing the funds to be transferred into a transfer holding account (34) which is then processed

through a clearing system (36, 151) local to said second financial institution (38, 153).

VI. The appellant's arguments, written and oral, in so far as they bear on this decision, can be summarised as follows.

Inventive step should be assessed on the basis of the skilled person starting from the disclosure of D1, or possibly of D2. That the Board should consider a different starting point, without documentary evidence, was surprising. The invention dated from 1997, and, in the meantime, computer banking had become very familiar; it was not so when the invention was made. It was, therefore, important to determine what technology was known at the priority date, and D1 and D2 provide evidence of that.

Unlike the systems disclosed in D1 and D2, the present invention made use of existing infrastructure. The system of D1 needed a "central receiving facility" (D1, Figure 1, block 14) in addition to national clearing systems, and that of D2 required a special terminal at the bank. D1 and D2, therefore, taught away from the use of existing infrastructure, and, therefore, taught away from the present invention.

The individual technical apparatuses, such as the computers used in administering accounts, the input terminal, and the front end processors, might have been known at the priority date, but the claimed combination was not, and the way they interact in the invention was not. It was important to appreciate the invention as a whole.

In particular, it was not known to use front end processors as claimed. They were not simply conduits for passing information between the other units, but provided their own processing of information. That could be seen from page 11, lines 20 - 22

and page 69, lines 1- 6 (application as published, corrected version).

Reasons for the Decision

1. Background

1.1 The invention concerns a transfer of funds between bank accounts. A person identifies her own account, a destination account, and an amount to be transferred. She is guided as to what she can do and how she can do it, some checks are made, and the funds are transferred.

1.2 As claimed, the transfer is an "inter-bank external transfer," which uses a clearing system with a holding account. That means that the funds are first placed in a holding account, until the clearing system, which is local to the destination, has dealt with it. Once clearing has finished, the funds are transferred from the holding account to the destination account. The user has to specify the amount to be transferred in the currency of the destination account. Before the transfer to the holding account is carried out, she is shown the relevant exchange rate and fees, and can decide whether or not to go ahead.

1.3 The process makes use of a computer system. The transfer is initiated by the person identifying the accounts and the amount at a terminal. In this context, she is called a "user." The terminal displays messages that guide the user through the process, prompting her to provide the information needed and, in particular, displaying the exchange rate and fees before she approves the transfer. In order to do that, each bank has a "host system" which is a computer system for administering its accounts. The host systems communicate with one another and with the terminal

across a network, via respective "front end processors." The network also provides a database of exchange rates and fees, which are accessed via the front end processors.

2. Claim 1, inventive step

2.1 The Board's preliminary view was that the transfer of funds was not itself technical, and had no technical implications. Inventive step was assessed on the basis of a skilled person faced with the task of allowing the transaction to be executing using a network of computers. The appellant, in contrast, considers that inventive step should be assessed on the basis of the skilled person starting from what is disclosed in D1, or perhaps D2.

2.2 With inventions like the present one, in which a computer system carries out steps in an otherwise non-technical method, it is legitimate to consider the skilled person as facing the task of automating the non-technical method and to ask whether or not it would have been obvious to provide the computer system specified. If it would have been obvious, there is no inventive step. In making that judgment, the merits of the non-technical method are of no significance; only technical features count. Some of the technical features may be part of the skilled person's starting position. That was the position the Board took in its preliminary view, and which it still takes after hearing the appellant's further submissions. The starting point is a computer network and the task is that of allowing a transfer to be carried out using such a network. Nothing depends on this, however: it would, in any case, have been obvious to use a computer network.

2.3 There are two reasons why the Board rejects the appellant's argument that it is necessary to consider D1 and D2. The first is that documentary evidence of prior art is not

always necessary. That is the case when the prior art is "notorious" (see T 1242/04, "Provision of product-specific data/MAN", OJ 2007, 421 at 9.3). As will become apparent, the Board's assessment of inventive step relies only on a network of computers with access to a database, that combination being considered "notorious", together with some elements which the appellant has acknowledged as belonging to the prior art and which the Board also considers "notorious". The second reason is that the appellant's argument regarding D1 and D2 is contradicted by its argument that the invention operates on existing infrastructure, while D1 and D2 do not. If the latter is correct, then the correct starting point is unlikely to be something which has already abandoned the existing infrastructure. Starting from the existing infrastructure would be more reasonable.

2.4 The Board, then, takes the skilled person as facing the task of allowing the transfer of funds to be carried out on a computer network. To arrive at the invention, the skilled person would have to provide

- an input terminal with a display,
- a "host system" for each bank ("source host system", "destination host system"),
- a record in the source host system, including an indication of the currency of the source account,
- a "front end processor" for each host system, which communicate with one another over the network and which allow the exchange of electronic messages between the input terminal and the two host systems, and
- a database.

The electronic messages exchanged between the input terminal and the destination host system have to include data necessary for the transfer of funds. For at least one of the messages, the destination host system has to respond with an

"action code", and how the procedure continues depends on the action code's value. The electronic messages exchanged between the input terminal and the source host system include messages that, via the display, prompt the user and allow her to make selections.

2.5 The fact that the display prompts the user to make a selection corresponds simply to a bank employee informing her what choices are available. That is not technical. The fact that the action code indicates whether or not funds should be transferred might correspond, for example, to a bank employee indicating to a customer that she has reached her daily limit and asking whether she would like to do something else (compare page 57 of the application as filed, starting at line 11).

2.6 Regarding inventive step, the question which must be answered is whether it would have been obvious to the skilled person to provide the host systems, the record in the first host system, the front end processors, the input terminal, and the database.

2.7 As the Board understands it, the hosts systems are computers, or networks of computers, that are used to administer the accounts. There is nothing special about the computers, and the Board's view is that suitable computers were indisputably known at the priority date. That is implicit in the application, which provides no technical information about the host systems. The Board, therefore, considers that it would have been obvious to use some sort of computer system in each bank. Indeed, it is part of the existing infrastructure, on which, the appellant argues, the invention operates.

2.8 The front end processors, as defined in the claims, do no more than pass messages between the hosts systems, the input

terminal, and the network. The applicant's argument that they do do more is not borne out by the wording of the claims. Moreover, the description is not clear about the division of labour between the host systems and the front end processors. The passage at page 69, lines 1 - 6, to which the applicant points, comprises the following:

> *… the front end and host systems perform the necessary calculation to inform the customer of the applicable fees and to debit the source account and to credit the destination account.*

The appellant argued that this indicates that the front end processors perform the calculation, and the host systems the debiting and crediting, but the Board does not see any such implication in the wording, and considers that the statements on page 12 at lines 15 and 23 ("*… the local FEP posts a debit to the source account …*," and, "*The remote FEP then posts a credit to the beneficiary account,*" respectively) make the matter even less clear. As it stands, however, the front end processors defined in the claims simply receive messages and pass them on. Any implementation of the transfer using a communications network would require some manner of allowing the host systems to pass messages to the network, and to receive messages from it. The skilled person could not have done anything other than provide some means of doing that. Any such means would qualify as a front end processor. As a consequence, the use of front end processors and their role in communicating with the host systems, would have been obvious.

2.9 An input terminal is also necessary to the transfer. The user must be able to input information to identify her own account, the destination account, and the amount to transfer. She must also be able to confirm that she wants to go ahead with the transfer, or not, once the exchange rate

and fees are known. The user, via the input terminal, must interact with the source host system and the destination host system. The communications between the host systems are handled by the front end processors, and it would have been an obvious choice to use the front end processors to handle communications with the input terminal as well. That would amount to using them to do what they are designed to do.

2.10 The underlying method requires that exchange rates be presented to the user, and so the provision of some sort of database of rates would be necessary. Since both host systems (as well as any others that may be involved in other transfers) need the same exchange rate information, it would have been obvious to make the database accessible to both. Using the network for that would have been obvious, because the network is simply there to allow information to be passed around. The provision of the database, therefore, amounts to using a database and a network for what they are designed to do. That, too, would have been obvious.

2.11 The Board, therefore, concludes that the invention defined in claim 1 would have been obvious to the skilled person, so that it does not involve and inventive step (Article 56 EPC 1973). The appellant's sole request, therefore, cannot be allowed.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar: The Chairman:

T. Buschek S. Wibergh

Decision electronically authenticated