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Datasheet for the decision
of 8 November 2023

Case Number: T 2899/19 - 3.4.03

Application Number: 11853517.8

Publication Number: 2659442

IPC: G06Q10/08, H04L12/16

Language of the proceedings: EN

Title of invention:
METHOD, SYSTEM AND APPARATUS FOR MANAGING INVENTORY

Applicant:
Nulogy Corporation

Relevant legal provisions:
EPC Art. 56
RPBA 2020 Art. 15(8)

Keyword:
Abridged reasons for decision - agreement with finding of
department of first instance
Inventive step - (no)

Decisions cited:
T 2086/09

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Case Number: **T 2899/19 - 3.4.03**

D E C I S I O N
of Technical Board of Appeal 3.4.03
of 8 November 2023

Appellant:	Nulogy Corporation
(Applicant)	183 Bathurst Street
	Suite 400
	Toronto, Ontario M5T 2R7 (CA)

Representative:	Forresters IP LLP
	Skygarden
	Erika-Mann-Straße 11
	80636 München (DE)

Decision under appeal:	**Decision of the Examining Division of the European Patent Office posted on 3 June 2019 refusing European patent application No. 11853517.8 pursuant to Article 97(2) EPC.**

Composition of the Board:

Chairman	M. Stenger
Members:	M. Ley
	E. Mille

Summary of Facts and Submissions

I.   The appeal is against the decision of the examining
        division to refuse European patent application
        No. 11 853 517 pursuant to Article 97(2) EPC.

II.   The decision under appeal was issued on EPO form 2061
        and referred to the examining division's annex to the
        summons to attend oral proceedings dated 26 November
        2018.

        In said annex, the examining division cited the
        following document:

        D2   US 2007/214065 A1

        and held that the subject-matter of the claims 1 to 4
        lacked an inventive step (Article 56 EPC) over D2, see
        points 3 and 4 of said annex.

III.   The appellant requests that the decision be set aside
        and a European patent be granted on the basis of a set
        of claims 1 to 4 filed with the statement setting out
        the grounds of appeal, claims 1 to 4 being identical to
        the claims underlying the impugned decision.

        The appellant also requested oral proceedings in the
        event that the board was minded to dismiss the appeal.

IV.   Oral proceedings were scheduled.

        The board issued a communication pursuant to Article
        15(1) RPBA 2020 and informed the appellant that it
        preliminarily agreed with the examining division's
        findings with respect to inventive step. The board also

addressed the appellant's arguments presented in the statement setting out the grounds of appeal.

The appellant then informed the board in a short letter that neither the appellant nor the representative would be present at the oral proceedings. Nor further arguments were submitted.

The oral proceedings were then cancelled.

V.   Claim 1 has the following wording (board's feature labelling)

A method of managing inventory, the method comprising:
(a) storing a plurality of job records in a memory, each job record comprising a different one of a plurality of job identifiers, one of a plurality of production line identifiers, and at least one of a plurality of subcomponent identifiers;
(b) receiving, at a processor, a transaction record comprising a first subcomponent identifier and a first production line identifier;
(c) determining, at the processor, whether the transaction record includes one of the job identifiers;
(d) when the determination is negative, locating in the memory one of the job records including one or both of a subcomponent identifier matching the first subcomponent identifier, and a production line identifier matching the first production line identifier, and
(e) selecting the job identifier of the located job record;
(f) storing the transaction record in the memory in association with the selected job identifier;

(g) receiving a reconciliation request comprising the selected job identifier and a count of at least one subcomponent;

(h) retrieving at least one transaction record stored in association with the selected job identifier;

(i) determining whether a discrepancy exists between the count and the at least one transaction record;

(j) when the determination of whether a discrepancy exists is affirmative, determining if the discrepancy falls within a predetermined configurable tolerance, defined as one of a fraction of a quantity of subcomponent and an absolute quantity of subcomponent; and

(k) when the discrepancy falls within the predetermined configurable tolerance, automatically generating at least one correcting entry.

VI.   The appellant's relevant arguments provided in the statement setting out the grounds of appeal can be summarized as follows:

The appellant agreed that D2 disclosed a method of managing inventory using a memory and a processor.

The appellant submitted that the examining division erred in their conclusion and that the invention was inventive.

The present application concerned a method, system and apparatus for managing inventory. Inventory management was "a complex technical problem". This was particularly true for production processes characterised by high variability in the nature of goods being produced, as well as short production runs, which led to frequent and numerous movements of

inventory and a high degree of flexibility being
necessary to supply and complete orders.

The claimed invention provided a method in which a
plurality of job records were stored in the memory. A
job record, within the meaning of the application, was
an object or other collection of data relating to the
production of a finished good, see paragraph [0027] of
the application as filed. Each job record was
identified using a different job identifier and
included an indication of the production line (the
production line identifier) and an indication of one or
more subcomponents (the at least one subcomponent
identifier).

A transaction record was received according to the
method. The transaction record contained data represen-
tative of inventory movements within production site.

When a transaction record was received, a check was
performed to see whether that transaction record
included a job identifier. A relevant job record was
sought and the transaction record was stored with the
selected job identifier.

A reconciliation request (see paragraph [0051] of the
application) including the selected job identifier and
a subcomponent count was then received. A transaction
record was retrieved and the subcomponent count was
compared with the transaction record, see figure 6 of
the application.

The division had over-simplified the invention by
essentially viewing the invention as only a computer
implemented inventory management method. Reference was
made to T 2086/09.

Furthermore, the novel features of claim 1 provided a technical effect, as stated in paragraph [0061] of the application ("can reduce usage of the computational resources of server 104"), which was realised by the manner in which missing job identifiers were handled, and then count discrepancies were identified and handled. Said effect was not foreseen in D2.

An objective technical problem to be solved could be defined as how to achieve this technical effect within the technical field of inventory management – which was primarily concerned with the efficient use of physical resources (i.e. a technical context for this technical problem).

The claimed solution was not obvious in view of the prior art or the common general knowledge.

Reasons for the Decision

1.   The invention

        The invention relates generally to inventory management, and more particularly to a method and a server for managing inventory, see paragraph [0001] of the application.

        The method involves a plurality of job records, each job record (see e.g. job record 300 in figure 3 of the application) comprising a different one of a plurality of job identifiers, one of a plurality of production line identifiers, and at least one of a plurality of subcomponent identifiers.

        A "production line" can include various equipment necessary for the conversion of subcomponents into

finished goods, see paragraph [0020] and figure 1 of the application. A "job" is generally referred to as an object or other collection of data relating to the production of a finished good, see paragraph [0027] of the application. Thus, a job can include data specifying an expected quantity of a finished good to be produced, the expected number of staff to be involved in such production and any other details relevant to the production, such as start and end times and the like. For example, a job can contain data specifying the expected production of one thousand units of a finished good during an eight-hour shift at a given production line. A "job identifier" (or "job ID") can be any suitable combination of numbers, letters and other characters or symbols that uniquely identifies the job among other jobs for which job records are stored, see paragraph [0028] of the application.

In a first part of the claimed method (features (b) to (f)), a transaction record (see e.g. 304 in figure 3) is received and completed by a job identifier, if necessary, see e.g. figure 2 of the application. In general, a transaction record contains data describing a movement of inventory, whether subcomponents or finished goods, see paragraph [0031] of the application.

In a second part of the claimed method (features (g) to (k)), a reconciliation request is received and corrected, if necessary, see e.g. figure 6 of the application. Such reconciliation request represents, in general, an instruction to a server to determine whether any discrepancies exist in the tracking of inventory in connection with one or more jobs, see paragraph [0051] of the application.

2.   Procedural issues

        In preparation for the oral proceedings the board
        issued its preliminary opinion on the case raising
        objections against all claims under Article 52(1) EPC
        in combination with Article 56 EPC.

        The appellant's declared intention not to attend the
        oral proceedings is considered by the board as
        equivalent to a withdrawal of its request for oral
        proceedings (see *Case Law of the Boards of Appeal of
        the European Patent Office*, 10th edition, 2022,
        III.C.4.3.2).

        As the appellant chose not to comment on the
        preliminary opinion issued by the board in preparation
        of the oral proceedings and as it withdrew its request
        for oral proceedings, the board does not see any reason
        to deviate from its preliminary opinion and concludes
        that the case is ready for decision.

3.   According to Article 15(8) RPBA 2020, if the board
        agrees with the finding of the department which issued
        the decision under appeal, on one or more issues, and
        with the reasons given for it in the decision under
        appeal, the board may put the reasons for its decision
        in abridged form in respect of that issue.

        In the present case, the board agrees with the
        examining division that the subject-matter of claims 1
        to 4 lacks an inventive step (Article 56 EPC) for the
        reasons provided under points 3. and 4. of the annex to
        the examining division's summons to attend oral
        proceedings.

4.   The appellant's arguments presented in the statement
        setting out the grounds of appeal did not convince the
        board for the following reasons.

        The board is of the view that the method implemented on
        a conventional computer (including a processor and a
        memory) is not particularly adapted to production
        processes with a high variability or flexibility, short
        production runs, frequent and numerous movements of
        inventory.

        The claimed method associates (steps (a) to (f)) a
        quantity of subcomponents in movement (transaction
        record, feature (b)) and a job executed by a production
        line (steps (d) and (e)) and to compare data (steps (g)
        to (k)) related to a finished job (reconciliation
        request, step (g)) and a quantity of subcomponents in
        movement associated to a job (step (h)). This is an
        administrative task of a manager.

        In T 2086/09, a stock item was identified either by the
        combination of a globally unique identifier (GUID) and
        a globally unique parent identifier or using a globally
        unique node identifier, see Reasons 3. The board in
        case T 2086/09 could not see that this feature was
        "notorious" in a narrow sense, as required by the
        jurisprudence. The claim was limited to methods
        involving two different identifiers, and moreover two
        particular kinds of identifiers, whereas in the
        decision under appeal the examining division mainly
        discussed "unique identifiers". This appeared to amount
        to a "simplification of the claimed invention to
        something which might indeed be notorious".
        The present case is different, because claim 1, like
        the rest of the application, does not provide any
        details how the job identifiers, the production line

identifiers or the subcomponent identifiers are
implemented. They are not more than data used in a non-
technical method of managing inventory.

According to paragraph [0061] of the application, the
storage of transaction records in association with job
IDs (i.e. step (f) in claim 1) can reduce usage of the
computational resources of server 104 in performing the
validation activities at block 230 of method 200 and
the reconciliation activities in method 600. This
reduction can be achieved as a result of the smaller
data set to be processed. That is, the performance of
blocks 610 and 615 in connection with transaction
records lacking job IDs would require the retrieval and
comparison of transaction records for other jobs.

The board is not convinced that performing a "storage
of transaction records in association with job IDs"
within the meaning of feature (f) would reduce usage of
computational resources in the validation activities of
step 230 of figure 2 (as suggested in paragraph [0061],
second sentence), because block 230 corresponds to and
does not go beyond the execution of said step (f), see
paragraph [0041] of the application. Moreover,
associating a transaction record and a job identifier
increases the size of the data set to be stored and
processed. Consequently, *a priori* more transaction
records have to be processed in step 610 and 615 of
figure 6, because after step (f), more transaction
records are associated with the selected job
identifier. Hence, the method corresponding to the
administrative task of a manager as mentioned above,
when implemented on a computer, does not reduce
computational resources. Thus, the features identified
as non-technical do not achieve any (further) technical

effect within the claimed computer having a memory and a processor.

Even if they did, this would correspond to a circumvention rather than a solution of a technical problem, as pointed out by the examining division.

5. In view of the above, the subject-matter of claims 1 to 4 according to the appellant's sole request lacks an inventive step (Article 56 EPC).

The appeal must therefore fail.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar: The Chairman:

S. Sánchez Chiquero M. Stenger

Decision electronically authenticated