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D E C I S I O N
of 18 March 2003

Case Number: T 0858/98 - 3.4.1

Application Number: 91907516.8

Publication Number: 0479982

IPC: G07F 7/10

Language of the proceedings: EN

Title of invention:
Value Transfer System

Patentee:
Mondex International Limited

Opponent:
Citibank, N.A.

Headword:
-

Relevant legal provisions:
EPC Art. 100(a), 52(1), 54, 56

Keyword:
"Opposition grounds - lack of inventive step"

Decisions cited:
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Catchword:
-

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Beschwerdekammern | Boards of Appeal | Chambres de recours

Case Number: T 0858/98 - 3.4.1

D E C I S I O N
of the Technical Board of Appeal 3.4.1
of 18 March 2003

Appellant: (Proprietor of the patent)
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Decision under appeal: **Decision of the Opposition Division of the European Patent Office posted 15 July 1998 revoking European patent No. 0 479 982 pursuant to Article 102(1) EPC.**

Composition of the Board:

Chairman: G. Davies
Members: G. Assi
H. K. Wolfrum

Summary of Facts and Submissions

I. The appellant (patent proprietor) lodged an appeal, received on 24 August 1998, against the decision of the opposition division, dispatched on 15 July 1998, revoking the European patent No. 0 479 982 (application number 91907516.8). The fee for appeal was paid on 25 August 1998. The statement setting out the grounds of appeal was filed on 12 November 1998.

II. Opposition had been filed against the patent as a whole and based on Article 100(a) EPC, in particular on the grounds that the subject-matter of the patent was not patentable within the terms of Articles 52(1), 54 and 56 EPC.

In the decision under appeal, the opposition division held that the claimed subject-matter did not involve an inventive step having regard *inter alia* to the following documents:

(E1) P. Rémery et al., "Le paiement électronique", L'Echo des RECHERCHES, N° 134, 4ème trimestre 1988, pages 15-24, and

(E8) U.S. Treasury Bulletin, Department of the Treasury, Washington D.C., Fall Issues 1985-1990.

III. Oral proceedings were held on 18 March 2003.

IV. The appellant requested that the decision under appeal be set aside and the patent be maintained as granted (main request) or in amended form with an amended claim 1 filed with the grounds of appeal (auxiliary request).

The respondent (opponent) requested that the appeal be dismissed.

V. The wording of claim 1 of the appellant's main request reads as follows:

"*1. A value transfer system having a computer system (1a,2a,3a); a plurality of electronic purses (1c,2c,3c,6), one or more of the electronic purses being bulk purses (1c,2c,3c); exchange devices (5,10,11) whereby purses may communicate with each other to transfer value in transactions which are off-line from the computer system; a value meter system (1b,2b,3b); draw-down means for loading said bulk purse or bulk purses with value under control of the computer system via the value meter system; redemption means for redeeming value from said bulk purse or bulk purses under control of the computer system via the value meter system; the value meter system recording one or more float value records whereby the net value released to the bulk purse or purses may be derived, the net value being the difference between the total of values drawn down to the bulk purse or bulk purses and the total of values redeemed from the bulk purse or bulk purses, the float value record being non-specific with regard to individual transactions.*"

The wording of claim 1 of the appellant's auxiliary request corresponds to that of claim 1 of the main request with the following further feature added at the end thereof:

"*and there is provided an interface by which authorised personnel may enter values to be added to or subtracted*

from a float value record for creating or destroying value in the bulk purse."

VI. The appellant submitted that document E1 represented the closest state of the art. Having regard to this document, the claimed invention was novel by the provision of a computer system, which controlled draw-downs and redemptions to the bulk purses, and a value meter system through which the draw-downs and redemptions were made, the value meter system recording float value records (main request). The claimed value transfer system according to the auxiliary request included the further novel feature concerning an interface of the value meter system.

The technical problem as defined in the grounds of appeal with regard to the main request was to record the amount of value in circulation accurately and securely. Considering the auxiliary request, value had also to be adjusted in a controllable way. At the oral proceedings, the appellant considered that the problem consisted in determining the amount of electronic value in circulation including that within the banks.

The value transfer system of E1 concerned a complete self-standing system which did not include a computer system cooperating with a value meter system as claimed. E1 rather concerned a card to card value transfer system, the object of which was to allow off-line transactions to take place. Thus, the known system was independent from a central computer and a skilled person had no incentive to introduce such a computer system.

There was no suggestion in E1 of a value meter system

recording float value records, thereby keeping a record of the amount of electronic value in circulation. Whereas a meter provided a record, a card purse did not. It was perfectly possible to operate an electronic value system without knowledge of the contents of the purses. Indeed, E1 did not suggest reading the contents of the purses. Operationally, it was sufficient that transactions were automatically prevented if a card ran out of value.

As regarded the feature concerning an interface of the value meter system (auxiliary request), it was not suggested by E1 and clearly not obvious.

Therefore, the claimed subject-matter involved an inventive step. The advantages achieved by the invention were increased accuracy, security and controllability.

VII. The respondent agreed that E1 represented the closest state of the art. Having regard to E1, the subject-matter of claim 1 of the appellant's main request was not new. The features identified by the appellant as being novel were implicitly disclosed by E1. In any case, should these features be novel, they were obvious considering the disclosure of E1 and the fact that E1 addressed the same items characterising the technical problem as defined by the appellant, ie accuracy, security and controllability. The same conclusion applied to the appellant's auxiliary request.

Reasons for the Decision

1. The appeal is admissible.

2. *Appellant's main request*

2.1 It is not in dispute that E1 represents the closest state of the art.

2.2 This document discloses a value transfer system (see Figure 4), in which a value issuing body (see page 20, "*organisme émetteur de la monnaie*") generates electronic value which is then distributed among different banks, each being provided with a bank purse (see page 20, "*l'organisme émetteur de la monnaie ... émet l'ensemble des porte-monnaie. Il redistribue la monnaie électronique aux différentes banques*" and "*les banques munies de porte-monnaie bancaires ...*").

The issue and distribution of value is not closely described by E1. However, in Figure 4, double arrows connecting the value issuing body ("*compteur émetteur de la monnaie*") with the banks indicate that value can be drawn down from the issuing body to a bank as well as redeemed by a bank to the issuing body. In this respect, the Board agrees with the respondent (see letter of 28 May 1999, page 3, first full paragraph) that the skilled person would clearly derive from E1 that a computer system is necessary for carrying out and controlling the draw-down and redemption operations, considering the electronic nature of these operations and the remote location of the banks. Such a computer system would be a network of computers operating for the value issuing body and the banks and being able not only to administrate the customers' accounts but also to communicate with each other by means of terminals so as to exchange information in the value transactions.

As regards the provision of a computer system, the appellant admits that, at the priority date of the present invention, banks had computers which were used in a conventional way for maintaining the customers' accounts (see letter of 17 February 2003, page 2, "*Computer System*"). However, in its opinion, E1 did not disclose a computer system cooperating with a value meter system as claimed; E1 rather concerned a computer independent value transfer system, in which all transactions were of the card-to-card kind.

Although the Board agrees that E1 does not mention a value meter system, it does not find convincing the argument that the value transfer system according to E1 can operate without a computer system, the need of which is dictated, apart from the administration of the bank accounts, by the transactions of electronic value and the remote location of the banks, as already stated above.

Moreover, the Board does not accept the argument that Figure 5 of E1, showing details of a transaction between two electronic cards, describes a transaction between the value issuing body and a bank (this argument being in agreement with considerations of the opposition division in the decision under appeal, page 7, last paragraph). Indeed, E1 defines bank purses (see page 20, "*porte-monnaie de la banque*" or "*porte-monnaie bancaire*") as well as consumers' and retailers' purses in the form of cards (see page 21, "*consommateurs porteurs de carte à mémoire porte-monnaie*" and "*prestataires de services équipés de terminaux de débit de cartes porte-monnaie*"). It is thus reasonable to assume that the expressions "*bank purse*" or "*bulk purse*" define the function of a

computer memory rather than a card, the bulk purses being thus physically different from the card purses of private persons. Therefore, in the light of these considerations, the disclosure of Figure 5 is considered as concerning the security of a remote transaction between a customer and a retailer (see page 23, "*Echange sur terminal non sécurisé*").

2.3 According to E1 (see Figure 4), a bank sells value (100 F or 120 F) to a consumer. The value is withdrawn from the consumer's bank account, the bank purse is debited and the consumer's card purse ("*PM du porteur*") credited. The consumer may then buy goods or services of a given value (8 F, 5 F, 2 F or 9 F) which is deducted from its purse and loaded onto a retailer's card purse ("*PM du prestataire*"). The retailer periodically sends the accumulated value (1000 F or 2000 F) to its bank in exchange for equivalent deposits into its account. According to Figure 3, all these transactions between card purses are effectuated by means of computer terminals. Figure 3 also shows that the transactions between two card purses, ie at the level of customers and retailers in the hierarchy of the value transfer system, take place off-line with regard to the bank computers, which fact has the effect that these transactions are anonymous (see page 24, right-hand column, second sentence).

2.4 In summary, the Board considers that E1 discloses a value transfer system comprising:

- a value issuing body and a plurality of banks,

- a computer system, in particular a network of computers operating for the value issuing body and

the banks,

- a plurality of electronic purses, which are bank purses, ie bulk purses, as well as customers' and retailers' card purses,

- terminals, ie exchange devices, whereby the purses may communicate with each other to transfer value in transactions,

- draw-down means for loading the bulk purses with value under control of the computer system, and

- redemption means for redeeming value from the bulk purses under control of the computer system.

2.5 Therefore, the subject-matter of claim 1 is novel, the novelty consisting in the provision of a value meter system having the function recited in the claim.

2.6 At the oral proceedings, the appellant considered that the problem to be solved was to determine the amount of electronic value in circulation including that within the banks. This definition differs from that given in the patent in suit (see column 2, lines 16 to 19), ie to provide a framework suitable for cashless small value high volume transactions, and corresponds, at least in part, to that mentioned in the grounds of appeal (see page 6, points 2.2, 2.2.1 and 2.2.2), ie to record the amount of value in circulation accurately and securely.

The definition of the problem is obvious in any case. Indeed, it is essential for a reliable value transfer system that the amount of electronic value in

circulation including that within the banks be known. An accurate and secure recording of circulating value is necessary to this aim. Moreover, the need for a system suitable for cashless small value high volume transactions can be inferred from E1 (see page 24, "*Conclusion*", first paragraph).

2.7 The claimed value meter system is defined as recording one or more "*float value records*" which are non-specific with regard to individual transactions. On the basis of these records, the net value released to the bulk purses "*may*" be derived, the net value being the difference between the total of values drawn down to the bulk purses and the total of values redeemed from the bulk purses. The Board notes that use of the verb "*may*" indicates that the records must simply be suitable for deriving the said net value.

2.8 It is common practice that a value issuing body keeps records of the value in circulation (see E8). This is necessary in a system which is supposed to function accurately and securely.

Having regard to the value transfer system according to E1, the most obvious way to do this consists in recording, for each transaction, the values drawn down to the bank purses and redeemed from the bank purses. As stated above, the value issuing body is considered to include a computer controlling the draw-down and redemption operations. It is then evident that the computer itself, in particular its memory recording all data concerning the value transactions between the issuing body and the banks, would be a "*value meter system*", through which the draw-down and redemption operations are carried out under the control of the

computer. The computer would clearly be suitable for deriving the total of values drawn down and redeemed (see the description of the patent in suit, column 7, lines 28 to 32), from which the net value as claimed can be derived. It is also clear that the float value records are non-specific with regard to individual transactions, otherwise the system of E1 would not be suitable for cashless small value high volume transactions. Moreover, this is consistent with the anonymity of the payments in the known system.

2.9 In summary, the skilled person, starting from the value transfer system according to E1, which system is devised for cashless small value high volume transactions, and having to determine the amount of value in circulation accurately and securely, including that within the banks, would consider the solution of providing a value meter system as claimed. The claim leaves to the skilled person the decision concerning how such a value meter system should be realized. The most evident way would be to use the computer system itself, in particular the memory of the computer of the value issuing body, which is suitable for performing the function of the claimed value meter system.

2.10 Hence, the subject-matter of claim 1 of the appellant's main request does not involve an inventive step. The main request is not allowable.

3. *Appellant's auxiliary request*

3.1 As compared to the subject-matter of claim 1 of the main request, the additional feature of claim 1 of the auxiliary request relates to the provision of an interface of the value meter system, by which

authorised personnel may create or destroy value in the bulk purses.

3.2 According to the appellant (see the grounds of appeal, points 2.2 and 2.2.3), this feature is related to the controllability of the value transfer system. In other words, an intervention interface at the level of the value meter system provides a convenient control mechanism.

The fact that a value transfer system should be controllable, in particular by the value issuing body, and should thus be provided with suitable means is self-explanatory. Moreover, it is known from document E8 that the amount of value in circulation varies from year to year. This thus implies the possibility of creating or destroying value in circulation. The fact that such a control is carried out by authorised personnel having access to the computer of the value issuing body is a triviality.

3.3 Hence, the subject-matter of claim 1 of the appellant's auxiliary request does not involve an inventive step. The auxiliary request is not allowable.

4. In conclusion, the ground of lack of inventive step prejudices the maintenance of the European patent.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar: The Chairman:

R. Schumacher G. Davies