

Commissioner’s Decision # 1266
Décision du Commissaire # 1266

TOPIC: J00, O
SUEJECT: J00, O

Application No :2,275,720
Demand no: 2,275,720

COMMISSIONER'S DECISION SUMMARY

C.D.1266

App'n 2,275,720

Obviousness, indefiniteness, lack of subject matter [Section 2]

The examiner rejected this application on the basis that the invention claimed was obvious at the claim date over cited prior art consisting of two Canadian patent applications and an English text book. The Examiner also rejected claim 1 as being indefinite. The application was rejected as not being directed to subject matter which falls under the definition of invention. The Board found that the applicant was claiming an invention which was not obvious in view of the cited art and that the subject matter fell under the definition of invention. The applicant had previously submitted a new set of claims which overcame the rejection of indefiniteness.

The application was returned to the examiner for further prosecution.

IN THE CANADIAN PATENT OFFICE

DECISION OF THE COMMISSIONER OF PATENTS

Patent application 2,275,720 having been rejected under Rule 30(4) of the Patent Rules, the Applicant asked that the Final Action of the Examiner be reviewed. The rejection has consequently been considered by the Patent Appeal Board and by the Commissioner of Patents. The findings of the Board and the ruling of the Commissioner are as follows:

Agent for Applicant

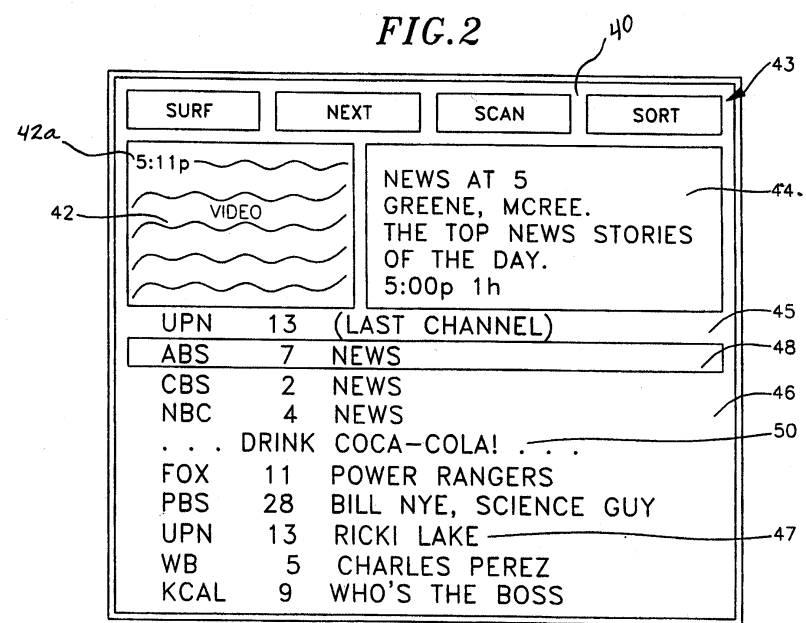
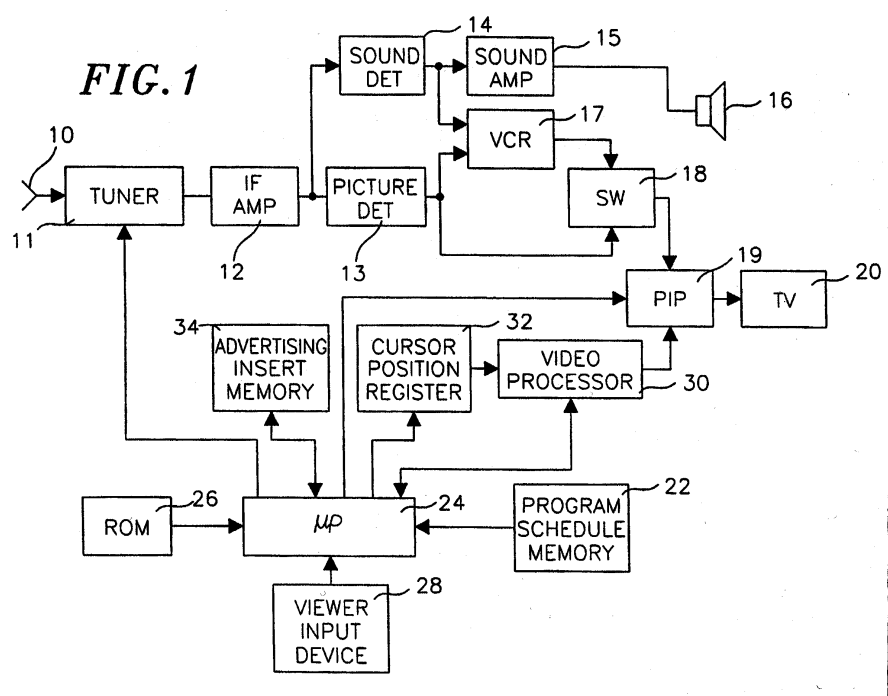
Fetherstonhaugh & Co.
Box 11560, Vancouver Centre
Vancouver, B. C.
V6B 4N8

This decision deals with the Applicant's request for a review by the Commissioner of Patents of the Examiner's Final Action dated January 9, 2003, on application 2,275,720, filed on December 19, 1997 and entitled "EPG with Advertising Inserts". The inventors are Henry C. Yuen, Roy J. Mankovitz, Daniel S. Kwoh and Elsie Y. Leung and the applicant is INDEX SYSTEMS, INC..

A hearing before the Patent Appeal Board was held on November 17, 2004. Appearing on behalf of the Applicant were Steven Ferrence and John Knox from the firm of Fetherstonhaugh & Co.. Representing the Patent Office were Leigh Matheson, the examiner in charge of the application, and Peter Ebsen, Section Head.

The application relates to an apparatus and method for displaying electronic program guide material consisting of lines of television program listings on a display screen and inserting lines of advertising material on lines between the lines of program listings.

Figure 1 of the application shows a schematic block diagram of the system and figure 2 shows a screen produced by the system.



EPG data are stored in memory 22 and advertising data are stored in memory 34. A microprocessor 24 accesses the data stored in memory 22 and the data stored in memory 34 and controls a monitor 20 to display the recovered EPG data in lines of television program listings and to display the recovered advertising data in a line on the monitor instead of a line of television listing.

Claim 1 of the application, which was rejected in the Examiner’s Final Action, reads as follows:

Apparatus for displaying advertisements comprising:
a memory for storing EPG data and advertising data;
a display monitor having a screen;
means for accessing the memory to recover EPG data corresponding to a number of television programs;
means for displaying the recovered EPG data on the screen in lines of television program listings, each television program listing being displayed in a separate line;
means for accessing the memory to recover advertising data; and
means for inserting the recovered advertising data in a line on the screen instead of one of the television program listings.

On January 9, 2003, the Examiner issued a Final Action in which he rejected all of the claims [1 to 3] as being obvious over the cited prior art.

Claim 1 was rejected because several terms lacked proper antecedents. The Examiner also rejected all of the claims and the application itself in view of Section 2 of the *Patent Act*.

On July 9, 2003, the Applicant submitted a reply to the Final Action. In that reply, the Applicant cancelled claims 1 to 3 and submitted new claims 1 to 25.

New claims 1 and 12 read as follows:

1. Apparatus for displaying advertisements comprising:
a memory for storing electronic program guide data and advertising data associated with a plurality of advertisements;
a display monitor having a screen;
means for accessing the memory to recover electronic program guide data corresponding to a number of television programs;
means for displaying the recovered electronic program guide data on the screen in lines of television program listings, each of the lines of television program listing being displayed in a separate line and means for displaying time and channel for at least some of the displayed television program listings;
means for selecting an advertisement for display from said plurality of advertisements stored in the memory;
means for using said advertising data associated with said selected advertisement to insert the selected advertisement in a line on the screen between lines of the television program listings.
12. A method for simultaneously displaying channel advertisements with an electronic program guide (EPG), comprising:
displaying television schedule information in a plurality of rows of schedule information items and displaying the time and channel for at least some of the displayed television schdule information items;
selecting an advertisement for display from a plurality of advertisements; and displaying the selected advertisement between two adjacent rows of the plurality of schedule items simultaneously with said at least some of the displayed plurality of television schedule information items.

In the Final Action, the Examiner cited the following references to reject all of the claims:

<u>Canadian patent applications</u>		
2,164,608	filed December 22, 1994	Hamilton et al
2,151,458	filed June 23, 1994	Hendricks et al

Handbook of English, Harry Shaw

McGraw-Hill Ryerson, 4th edition, 1986, pages 290, 291, 359 to 361

With respect to the question of obviousness, Examiner stated, in part:

Hamilton et al. teach an apparatus for displaying both EPG data and text data but do not show that advertising data is inserted between lines of television program listings. However, *Hendricks et al.* show pay-per-view program listings in figure 18 where promos are inserted between program listing data lines. Claim 1 is rejected for lacking invention in view of EPG displays of *Hamilton et al.* and common knowledge of text displays inserted between program listings as taught by *Hendricks et al.*

Dependent claims 2 and 3 further define highlighting lines of EPG data or advertising data on a screen and displaying detail windows in a second area of the screen. *Hendricks et al.* teach that menus are sequenced by a subscriber by moving a cursor or highlight bar on the TV screen to access desired programs, page 10. The display of a detail window on another area of the screen is a common expedient and does [not] patentably distinguish the claims. See, for example, *Hendricks et al.* describing program overlay menus which are related to a program and are small enough on the screen to allow the subscriber to continue viewing.

In reply, the Applicant stated:

The Examiner has provided brief comments about the Hendricks et al reference. These comments appear to have been taken out of context and the prior art teaching has been incorrectly compared to the wording of applicant's claim. For example, the Examiner's characterization of Figure 18 is incorrect. Nowhere do Hendrick et al show electronic program guides rather Hendricks et al describe programs in fixed positions in menus. The promos described by Hendricks and referenced by the Examiner are live video feeds, not advertising data associated with a plurality of advertisements and are not stored locally at the apparatus on which the display is produced. Considering the reference as a whole it provides no motivation to suggest the features of amended claim 1 which are not taught by Hamilton et al.

.....

It is unclear what "common knowledge" is referred to by the Examiner, other than that allegedly taught by Hendricks et al.. In the first Official Action, the Examiner made an obviousness objection on the basis of Shaw, but this appears now to have been removed. Even if Shaw were to be applicable under the obviousness objection, Shaw does not teach or suggest what is claimed and says nothing about any apparatus or method for displaying advertising in an EPG.

In summary, Hamilton et al describe a system that enables a user to select to view a screen showing video, a screen showing text or a screen showing an EPG. All three are mutually exclusive. Hendricks et al describe a system that provides menus to a user, where programs listed in the menus are placed in fixed positions to attract viewers to certain programs in preference to others. Hendricks et al do not describe provisions for altering these positions to insert advertising between lines of program listings in an EPG.

Applicant's claimed apparatus elements recited in amended claim 1 cooperate to store and select advertising data and to produce a display in which selected advertisements represented by the advertising data are inserted in a line on the screen between lines of television program listings. The apparatus cooperates to produce a single display that provides advantages including providing advertising inserts of sponsors of television programs, and which may be right below or in proximity to television guide listings of the television programs they sponsor. The advertising appears on a line of the EPG display and thus would be of the same height, for example as a line of EPG listing. The list format of the EPG is maintained and the display is ordered and uncluttered. The insertion of advertising information between EPG listings also facilitates easy scrolling-type navigation through the EPG in a manner with which users are familiar and facilitates fast, simple user identification of an advertisement that the user may want to gain more information about.

None of the references disclose or suggest that a display including EPG listings with advertising inserts could be used to provide these advantages. None of the prior inventors appears to have appreciated that an EPG provides an alternative medium through which advertising can be provided in a manner that enhances user notice of the advertising and facilitates easy access to more information on the subject of the advertising in a familiar scrolling format integrated into an EPG display. Hamilton for example, teach that text should be shown instead of video or an EPG and Hendricks et al teach that programs should be fixed in their positions on menus. Both have failed to recognize that by placing advertising between lines of program listings, a combination of advantages can be provided to advertisers, broadcasters, viewers and others by the present invention, which had heretofore been unappreciated by inventors such as Hamilton et al and Hendricks et al working in similar areas. The present inventor has made these advantages available through the invention claimed. The invention is clearly not obvious.

Canadian patent application 2,164,608 [Hamilton et al] shows an electronic program guide [EPG] and text channel data controller. EPG data and text data are delivered to the cable television tuner of a cable television viewer. The tuner processes these data, stores them in memory and formats them for display on the television screen. The viewer is able to cause the tuner to extract the stored EPG data or the stored text data from memory and have them displayed on the television screen by using the keypad on the television remote controller. The viewer can have either the EPG or text data displayed on the television screen. There does not appear to be the possibility of displaying EPG data and text data on the television screen at the same time.

Canadian patent 2,151,458 [Hendricks et al] discloses a television program packaging and delivery system. Television programs are collected at an operations centre which includes a Computer Assisted Packaging System. Information about each program is also collected

or generated. Programs and the information about individual programs are sent to subscribers, the program information about individual programs is stored in a terminal and is combined with stored information about other programs and can be accessed from the terminal to form a program menu which is displayed on a television screen. A viewer can select a program which he/she wants to view by making a selection from the displayed menu. The menu items appear to be in a fixed location in the menu.

The Handbook of English reference appears to be a standard text book which describes rules for writing in the English language. It is not clear to the Board why the Examiner has cited this reference. While references are usually cited against the claims of an application to demonstrate that the claimed invention lacks novelty or is obvious in view of the reference, the Examiner has described what this reference teaches under the heading of “Section 2”.

Each of the cited Canadian patent documents shows a system which has as one of its features, the capability of receiving program information at a television set top device, storing it in a memory, accessing that information, forming it into a menu of programs and displaying the menu on a television screen. These systems also receive text data, store them in a memory, access those data and display the text on the same television screen. These features are also disclosed and claimed in the instant application. However, in Hamilton et al and Hendricks et al, the program information is displayed separately from the text information, while it is displayed at the same time by the system of the instant application. There does not appear to be any possibility of altering the mode of display in either of the cited references. There is no indication that the inventors of the systems disclosed in the cited references appreciated the desirability, or even the possibility of combining program information and text information [or any other type of information such as advertising] so that text information would appear on a television screen between lines of television program information.

A test for obviousness was set out by the Court in *Beloit Canada Ltd. v. Valmet OY*, 8 C.P.R. (3d), 289 at 294:

The test for obviousness is not to ask what competent inventors did or would have done to solve the problem. Inventors are by definition inventive. The classic touchstone for obviousness is the technician skilled in the art but having no scintilla of inventiveness or imagination; a paragon of deduction and dexterity, wholly devoid of intuition; a triumph of the left hemisphere over the right. The question to be asked is whether this mythical creature (the man in the Clapham omnibus of patent law) would, in the light of the state of the art and of common general knowledge as at the claimed date of invention, have come directly and without difficulty to the solution taught by the patent. It is a very difficult test to satisfy.

There are significant differences between the operation of the prior art systems and the system of the instant application. As well, there is a lack of any direction in the prior art which would lead a skilled worker to modify the prior art systems to operate in the manner set out in this application. This leads the Board to conclude that the system of the instant application would not have been obvious on the claim date to a person skilled in this field of technology.

With respect to Section 2 of the *Patent Act*, the Examiner stated:

The arrangement of lines of EPG data and lines of advertising data on the screen is a matter of the layout and design of the data on the screen which belongs to a fine art rather than to applying skill or knowledge to an electronic data transmission system.

The reaction of persons viewing the screen is not the same for every person because the particular arrangement of lines of advertising between lines of EPG data appeals to a person's intellect rather than being a matter of intellectual property.

The *Handbook of English* explains the importance of unity, or singleness of purpose, in effective writing for sentences and paragraphs. As stated on page 359:

lack of unity is ineffective. A reader who has been following you down one line of thought would not only be puzzled but understandably annoyed to come abruptly upon a statement that has no relation to what the paragraph has thus far been treating.

A line of advertising inserted between the lines of electronic program guide (EPG) show similarly a lack of unity since the lines of advertising have no relation to the entries in a television program guide. The program guide becomes more difficult to read and to understand with lines of interspersed, unrelated text. The lines of advertising do not contribute to a unitary result of the conveyance of a television program guide to the reader.

In order to decode words in a sentence, a reader must integrate perceptual and linguistic symbols which are displayed on the screen of the display monitor. Decoding successive words in a sentence leads to comprehension of the meaning of a sentence. Here the television program listings are to be read. The present application does not teach an improved method of decoding words nor of comprehending a sentence. On the contrary, in order to be informed by the television program listings, the reader is interrupted by interspersed subject matter

which is unrelated to the television program listings. The electronic program guide of the present invention lists a catalogue of unrelated elements of programs and advertising which do not cooperate towards a unitary result. There is no relationship between drink Coca Cola and a program listing *News* and *Power Rangers*, as illustrated in figure 2 of the application.

The application describes a known method of displaying lines of EPG data modified by interrupting lines of advertising text. This modification of the EPG display does not change the manner in which the EPG is read. The lines of advertising are for promoting ancillary merchandise or services and do not change the time and channel sequence of programs. The changes in the EPG display do not amount to a contribution or addition to the cumulative message on the subject of an EPG display.

The application does not describe an innovative method of applying skill or knowledge and claims 1 to 3 as well as the remainder of the application do not teach an advance in the art under section 2 of the Patent Act.

In reply, the Applicant stated:

Applicant understands the Examiner's rejection under Section 2 to be based on two main elements:

1. The invention belongs to a fine art, not a useful art; and
2. The result lacks unity.

Preamble

Before dealing with these issues applicant wishes to reiterate that the applicant and the Examiner appear to differ in what they regard as the subject matter of the invention. The Examiner appears to indicate applicant is seeking a patent for "the arrangement of lines of EPG data and lines of advertising on the screen". (Final Action p.4 1st Paragraph). Applicant is not seeking to claim arranging EPG data and advertising but rather is seeking to claim a specific apparatus, combination of apparatus, components or process for producing a display in which advertising is inserted between lines of program listings in an electronic program guide. To state "the arrangement of lines of EPG data and lines of advertising data on the screen is a matter of the layout and design of the data on the screen which belongs to a fine art rather than to applying skill and knowledge to an electronic data transmission system" fails to consider each claim as a whole and more specifically ignores the specific claim language directed to specific physical entities that cooperate to cause recovered advertising data to appear in a line on a screen between lines of television program listings.

Fine Art vs. Useful Art

The Examiner continues to object to the claimed apparatus on the basis that it is or relates to a fine art. With respect to the apparatus claims, this objection continues to be surprising in that an apparatus has long been considered patentable subject matter capable of being patented in Canada. It is noted that the Examiner has not dealt with whether the claimed apparatus falls within "machine, manufacture, and composition of matter", which categories are also found in Section 2. Applicant respectfully submits that an apparatus does fall within one or more of the latter categories. Nevertheless the applicant will address whether the subject matter of the enclosed claims is that of an unpatentable "fine art".

In the Final Office Action, the Examiner stated the invention belongs to a fine art and is not an innovative method of applying skill or knowledge. The Examiner has also stated that "the reaction of persons viewing the screen is not the same for every person because the particular arrangement of lines of advertising between lines of EPG data appeals to a person's intellect rather than being [a] matter of intellectual property."

.....

The effect or result produced by the claimed invention is an EPG display in which advertising is inserted between lines of program listings. This is commercially useful in that it allows broadcasters and advertisers to target advertising to viewers by placing advertising by sponsors of television programs right below or in close proximity to television guide listings of the television programs they sponsor. Advertisers, broadcasters, viewers, sellers of equipment capable of producing such a display and others may economically benefit from the result or effect produced by the apparatus and methods recited in applicant's claims. Furthermore, the fact that the claimed apparatus and method is new and innovative is clearly underscored by the discussion above with respect to the obviousness rejection. Thus, the claims satisfy the test in the *Shell Oil* case above and relate to the useful arts rather than the fine arts.

Unity

The Examiner stated "the lines of advertising do not contribute to a unitary result of the conveyance of a television program guide to a reader." The Examiner also states that "the changes in the EPG display do not amount to a contribution or addition to the cumulative message on the subject of an EPG display". The Examiner also states that "this modification of the EPG display does not change the manner in which the EPG is read."

With respect the Examiner has mischaracterized the result of the invention as being the preception and integration of the information interpreted by a reader. Rather, the result is what is recited in the claims namely a single integrated display in which advertising is integrated into an electronic program guide between lines of program listings. The manner in which a viewer may read the information is not determinative of whether the display is a unitary result.

.....

Claim 1, for example, recites a memory for storing EPG data and advertising data associated with a plurality of advertisements. It also recites a display monitor having a screen. It also recites means for accessing the memory, to recover electronic program guide data corresponding to a number of television programs. Thus, there is an interaction between the means for accessing the memory and the memory itself. Furthermore, the claim recites means for displaying the recovered EPG data on the screen in lines of television program listings, each of the lines of television program listings being displayed in a separate line and means for displaying time and channel for at least some of the displayed television program listings. This element clearly cooperates with the memory and the screen to cause the EPG to be displayed. The claim further recites means for selecting an advertisement and means for accessing the memory to recover advertising data associated with a selected advertisement and thus these two elements cooperate with each other. Finally the claim includes means for using said advertising data associated with said selected advertisement to insert the selected advertisement in a line on the screen between lines of the television program listings. This element clearly cooperates with the means for accessing the memory and cooperates with the screen. From the foregoing, it will be appreciated that there is considerable interaction between the elements of amended claim 1 and that none of the elements acts on its own, without co-operating with at least one other element to produce a single result to which all of the elements have contributed, namely a new display in which advertising is inserted between lines of EPG program listings. The elements of the remaining claims cooperate to produce a unitary result in a similar manner and this it is respectfully submitted that the claims do have the necessary unity.

During the oral hearing on November 17, 2004, Mr Ferrence argued that the Section 2 rejection was improper because the rejected claims were directed to a new and useful machine while the Examiner has taken the position that the application is directed to a method and an art. Mr Ferrence pointed out that Section 2 of the *Patent Act* gives the following definition of the word invention:

“invention” means any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter

He stated that there has been no question of novelty raised by the Examiner, the apparatus defined in the claims meets the various definitions of “useful” which have been given by the Courts and the rejected claims are directed to an apparatus which is the equivalent of a machine. As a result, Mr Ferrence concluded, the apparatus set forth in claim 1 fully complies with the requirements of Section 2.

Mr Matheson agreed that because claims 1 to 3 were apparatus claims, they were not being rejected under Section 2 of the *Patent Act*. Only the method claims which the applicant submitted in response to the Final Action [claims 12 to 15 and 22 to 25] continue to be rejected under Section 2 as being directed to a fine art rather than to an art which applies skill or knowledge to an electronic data transmission system.

The meaning of the word “art” has been considered by the Supreme Court in *Shell Oil Co. v. Commissioner of Patents*, [1982] 2 S.C.R. 536, 67 C.P.R. (2d) 1. In that decision, Wilson J. had the following to say:

I think the word “art” in the context of the definition must be given its general connotation of “learning” or “knowledge” as commonly used in expressions such as “the state of the art” or “the prior art”. The appellant’s discovery in this case has added to the cumulative wisdom on the subject of these compounds by a recognition of their hitherto unrecognized properties and it has established the method whereby these properties may be realized through practical application. In my view, this constitutes a “new and useful art” and the compositions are the practical embodiment of the new knowledge.

.....

A disembodied idea is not per se patentable. But it will be patentable if it has a method of practical application. The appellant has shown a method of practical application in this case.

And later in that same decision, Wilson J. referred to *Tennessee Eastman Co. v. Commissioner of Patents*, [1974] S.C.R. 111, 8 C.P.R. (2d) 202, and continued:

The Court, however, affirmed that “art” was a word of very wide connotation and was not to be confined to new processes or products or manufacturing techniques but extended as well to new and innovative methods of applying skill or knowledge provided they produced effects or results commercially useful to the public.

In *Progressive Games, Inc. v. Commissioner of Patents* 3 C.P.R. (4th) 517, Denault J. consolidated the thoughts of the Supreme Court into the following definition of “art”

Accordingly, the definition of the term “art” as provided by the Supreme Court includes a process that:

- (i) is not a disembodied idea but has a method of practical application;
- (ii) is a new and innovative method of applying skill or knowledge; and
- (iii) has a result or effect that is commercially useful.

New claims 12 to 15 and 22 to 25 which the Applicant submitted in response to the Examiner’s Final Action are directed to a method and the Board must decide if they claim an “art”, as defined above.

Having regard to the Applicant’s submissions and to the lengthy discussion which took place at the hearing, the Board concludes that these claims set forth a method which falls under the above stated definition of “art” and therefore meet the requirements for invention as set out in Section 2 of the *Patent Act*. Claims 12 to 15 and 22 to 25 set out a method which is not a disembodied idea but is one which has a practical application. The preceding discussion and analysis of the cited prior art shows that the method is a new and innovative method of applying skill and the evidence presented by the Applicant has established that it is commercially useful to generate revenue.

In summary, the Board finds that claims 1 to 3 which were rejected in the Final Action define a system which would not have been obvious at the claim date to a person skilled in this field of technology. These claims are also included in the definition of invention which is set out in Section 2 of the *Patent Act*.

The Board makes a similar finding with respect to the claims which were submitted by the Applicant in response to the Final Action.

The Board therefore recommends that the Examiner’s rejection of the application be reversed and that the application be returned to the Examiner for further prosecution consistent with these recommendations.

Michael Gillen	John Cavar	M. Wilson
Chairman	Member	Member

I concur with the recommendation of the Board that the Examiner’s rejection of the application be reversed and return the application to the Examiner for further prosecution consistent with the Board’s recommendation.

David Tobin
Commissioner of Patents

Dated at Gatineau, Quebec
this 2nd day of February, 2006