

Commissioner's Decision # 1301  
Décision de la Commissaire # 1301

TOPIC: O00  
SUJET: O00

Application No. : 2,341,628  
Demande nN : 2,341,628

## COMMISSIONER'S DECISION SUMMARY

C.D. 1301, Application No. 2,341,628

### Obviousness

The subject application was rejected in a Final Action on the ground that certain claims were obvious in view of several cited prior art references. At the Hearing the Applicant conceded that some of the rejected claims did not comply with the *Patent Act* and *Rules*. As for the remaining rejected claims, the Board found that these would not have been obvious and recommended that the Examiner's rejection with respect to these claims be reversed. The Commissioner of Patents agreed with the Board and the Applicant was invited to amend the application by deleting the conceded claims, following which the application would proceed to allowance.

IN THE CANADIAN PATENT OFFICE

DECISION OF THE COMMISSIONER OF PATENTS

Patent application number 2,341,628, having been rejected under Subsection 30(4) of the *Patent Rules*, has been reviewed. The rejection has been considered by the Patent Appeal Board and by the Commissioner of Patents. The findings of the Board and the decision of the Commissioner are as follows:

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## INTRODUCTION

[1] This decision deals with a review by the Commissioner of Patents of the Examiner=s Final Action on patent application no. 2,341,628 entitled ATicket Dispensing Mechanism.@ The Applicant is Spielo Manufacturing, Incorporated. The inventors are Calvin Duke Martini, Eugene Anthony Helmetsie and Paul Chiasson. The application relates to devices for printing and dispensing tickets.

## BACKGROUND & PROCEDURAL MATTERS

[2] The subject application was originally filed under the Patent Cooperation Treaty and accordingly maintains its international filing date of August 24, 1999. It is based on a United States priority application, no. 09/139,306, which was filed August 24, 1998.

[3] At the time of the Final Action (January 8, 2007) the application contained 88 claims. In the Final Action, the Examiner rejected claims 10-56, 62-68, and 76-81 for failing to comply with section 28.3 of the *Patent Act* as comprising subject matter that would have been obvious on the claim date to a person skilled in the art. The Examiner also indicated that there were no objections to claims 1-9, 57-61, 69-75, and 82-88.

[4] In a response to the Final Action dated July 4, 2007 the Applicant presented arguments in favour of the non-obviousness of the rejected claims. The claim set was not amended.

[5] In a Summary of Reasons submitted to the Patent Appeal Board, the Examiner indicated that the objections raised in the Final Action had not been overcome by the arguments.

[6] In a letter dated September 15, 2009, the Board offered the Applicant an oral hearing. Attached to the letter was a copy of the Summary of Reasons, as well as a copy of a supplemental analysis by the Examiner, addressing the obviousness rejections according to the four-step approach set out by the Supreme Court of Canada in *Sanofi-Synthelabo Canada Inc. v. Apotex Inc.*, 2008 SCC 61, [2008] 3 S.C.R. 265, 69 C.P.R. (4th) 251 [*Sanofi*], a decision released subsequent to the Final Action.

[7] A hearing was held on January 13, 2010. The Applicant was represented by Mr. David Ruston.

[8] At the hearing, Mr. Ruston stated the Applicant=s intention to concede to the Examiner=s rejection with respect to claims 25-31, 62-68, and 76-81. Accordingly, the review will proceed on the basis of the remaining claims in dispute: claims 10-24, and 32-56.

## REJECTED CLAIMS IN DISPUTE: 10-24 AND 32-56

[9] The rejected claims under consideration include six independent claims: 10, 20, 32, 37, 39 and 49. These claims are reproduced below:

10. A ticket dispensing mechanism comprising:

a drive receiving sheet material from a supply and advancing said sheet material;

a printer to print ticket information on the sheet material thereby to form a succession of printed tickets, each printed ticket having a leading end; and

a retaining mechanism receiving each printed ticket advanced by said drive in succession, said retaining mechanism holding each printed ticket in a manner such that the leading end of each successive printed ticket advanced by said drive contacts and ejects the printed ticket held by said retaining mechanism prior to itself being held by said retaining mechanism.

20. A ticket dispenser comprising:

a housing defining an internal chamber for receiving a roll of paper web;

a drive receiving said paper web and advancing said paper web when a ticket is to be formed;

a printer to print ticket information on said paper web as it is advanced by said drive;

a retaining mechanism receiving the printed paper web advanced by said drive; and

a cutting device to cut said paper web after said paper web has been printed and advanced to said retaining mechanism thereby to separate tickets in succession from said paper web, wherein said retaining mechanism holds each ticket in succession and guides said paper web in a manner such that when the paper web is advanced by said drive during formation of a successive ticket, a leading end of the paper web contacts and ejects the ticket held by said retaining mechanism from said housing.

32. A ticket dispenser comprising:

a housing having a body and a lid, an upper surface of said lid constituting a ticket receiving surface;

a drive within said housing receiving sheet material from a supply and advancing said sheet material;

a printer within said housing to print ticket information on said sheet material thereby to form a succession of printed tickets, each printed ticket having a leading end; and

a retaining mechanism receiving each printed ticket advanced by said drive in succession, said retaining mechanism holding each printed ticket in a manner such that the leading end of each successive printed ticket advanced by said drive contacts and ejects the printed ticket held by said retaining mechanism onto said ticket receiving surface prior to itself being held by said retaining

mechanism.

37. A ticket dispensing mechanism to dispense printed tickets in succession, said ticket dispensing mechanism comprising:

a retaining mechanism receiving printed tickets to be dispensed in succession; and

a drive to advance the printed tickets to said retaining mechanism and to dispense tickets from said retaining mechanism, wherein said retaining mechanism holds each printed ticket in succession in a manner such that a leading end of a successive printed ticket advanced thereto by said drive, contacts and ejects the printed ticket held by said retaining mechanism prior to said successive printed ticket being held by said retaining mechanism.

39. A ticket dispensing mechanism comprising:

a drive receiving sheet material from a supply and advancing said sheet material;

a printer printing ticket information on the sheet material thereby to form a succession of printed tickets, each printed ticket having a leading end;

a retaining mechanism receiving each printed ticket advanced by said drive in succession and pressing each printed ticket against a generally planar surface thereby to hold said each printed ticket; and

a guide guiding each printed ticket as it is advanced by said drive such that the leading end of each successive printed ticket contacts and ejects the printed ticket held by said retaining mechanism prior to itself being held by said retaining mechanism, wherein said retaining mechanism includes a member extending towards said generally planar surface, at least one of said member and generally planar surface being urged towards the other by a spring element, each printed ticket passing between said member and said generally planar surface and being pressed against said generally planar surface by said member.

49. A ticket dispenser comprising:

a housing defining an internal chamber for receiving a roll of paper web;

a drive receiving said paper web and advancing said paper web when a ticket is to be formed;

a printer printing ticket information on said paper web as said paper web is advanced by said drive;

a retaining mechanism receiving the printed paper web advanced by said drive; and

a cutting device cutting said paper web after said paper web has been printed and advanced to said retaining mechanism thereby to separate tickets from said paper web in succession, wherein said retaining mechanism presses and holds each ticket in succession against a generally planar surface and guides said paper web in a manner such that when the paper web is advanced by said drive during formation of a successive ticket, a leading end of the paper web contacts and ejects the ticket

held by said retaining mechanism from said housing, said retaining mechanism including a member extending towards said generally planar surface, at least one of said member and generally planar surface being urged towards the other by a spring element, each held ticket being pinned between said member and generally planar surface.

[10] There is no dispute as to the interpretation of these claims. Each of the claims recites a drive for receiving material from a supply and advancing it. In the various claimed embodiments the material is defined as either a supply of sheet material or a roll of paper web. In the claimed embodiments in which the supplied material is a roll of paper web, the mechanism includes a cutting device for cutting the paper into separate tickets after the paper has been printed; where the supplied material is defined as sheet material, each sheet corresponds to an individual ticket. With the exception of claim 37, all independent claims set forth a printer for printing ticket information on the supplied material; in the embodiment set out in claim 37 the supplied material already contains printed matter. Each independent claim defines a retaining mechanism for receiving each printed ticket advanced by the drive and holding each printed ticket in a manner such that the leading end of each successive printed ticket advanced by said drive contacts and ejects the printed ticket held by said retaining mechanism prior to itself being held by said retaining mechanism.

[11] Several of the independent claims variously recite other details of construction, relating to the housing of the dispenser and to the retaining mechanism.

### **OBVIOUSNESS: THE LAW**

[12] Section 28.3 of the *Patent Act* sets out the conditions under which a claim may be found to be obvious:

28.3 The subject-matter defined by a claim in an application for a patent in Canada must be subject-matter that would not have been obvious on the claim date to a person skilled in the art or science to which it pertains, having regard to

- (a) information disclosed more than one year before the filing date by the applicant, or by a person who obtained knowledge, directly or indirectly, from the applicant in such a manner that the information became available to the public in Canada or elsewhere; and
- (b) information disclosed before the claim date by a person not mentioned in paragraph (a) in such a manner that the information became available to the public in Canada or elsewhere.

[13] In *Sanofi, supra*, Rothstein J. adopted the approach to assessing obviousness updated by Jacob L.J. in *Pozzoli SpA v. BDMO SA*, [2007] F.S.R. 37, [2007] EWCA Civ 588. Accordingly, an obviousness assessment now involves the following four-step approach:

- (1) (a) Identify the notional "person skilled in the art";  
 (b) Identify the relevant common general knowledge of that person;
- (2) Identify the inventive concept of the claim in question or if that cannot readily be done, construe [the claim];
- (3) Identify what, if any, differences exist between the matter cited as forming part of the "state of the art" and the inventive concept of the claim or the claim as construed;
- (4) Viewed without any knowledge of the alleged invention as claimed, do those differences constitute steps which would have been obvious to the person skilled in the art or do they require any degree of invention?

[14] Ultimately, we must answer the question set out in the fourth step of the approach: do the differences between the inventive concept of the claim and the matter cited as forming part of the state of the art constitute obvious steps to one skilled in the art? And in answering this question, we are mindful of several important considerations.

[15] Firstly, in assessing obviousness one must take into consideration the common general knowledge in the field on the claim date of the invention, as identified in step (1)(b).

[16] Next, regarding the citation of multiple references, while it is possible to assemble a mosaic of prior art in order to show that a claimed invention is obviousness, there are limits on the extent to which this may be done. In a very recent decision, *Biovail Corp. v. Canada (Health)*, 2010 FC 46, Justice Kelen stated, at para. 84:

A mosaic of prior art may be assembled in order to render a claim obvious. However, in doing so, the party claiming obviousness must be able to demonstrate not only that the prior art exists but how the person of ordinary skill in the art would have been led to combine the relevant components from the mosaic of prior art (see *Laboratoires Servier v. Apotex Inc.* (2008), 67 C.P.R. (4th) 241 at paragraph 254).

[17] Finally, an obviousness assessment depends largely on the facts of a given case. The correctness of such an assessment does not depend upon whether or not the decider has paraphrased the words of the Act in some particular verbal formula@ [Sanofi, supra, citing Diplock L.J. in *Johns-Manville Corporation=s Patent*, [1967] R.P.C. 479 at 493-94 (C.A.)]. As for the meaning of the term obvious, Ait does not seem to us that there is any need to go beyond the primary dictionary meaning of >very plain=.@ [Sanofi, supra, citing Sachs L.J. in *General Tire & Rubber Co. v. Firestone Tyre & Rubber Co.*, [1972] R.P.C.



457 at 497 (C.A.).

### **OBVIOUSNESS: ANALYSIS**

- [18] In following the four-step *Sanofi* approach, it is understood that the exercise should normally be carried out for each claim at issue. However, in the interest of efficiency we will proceed with an analysis of the independent claims in dispute. If the subject matter of any of these claims is found to be obvious, then the dependent claims will subsequently be assessed; however, if the independent claims are held to be non-obvious, then the dependent claims, which must by definition contain all the limitations of the claims upon which they depend, would also be considered non-obvious.

#### (1)(a) The person skilled in the art

- [19] In this case, the person skilled in the art would be a technician with experience in the field of automated ticket dispensers, particularly experience in devices which print tickets using sheet material or rolls of paper web.

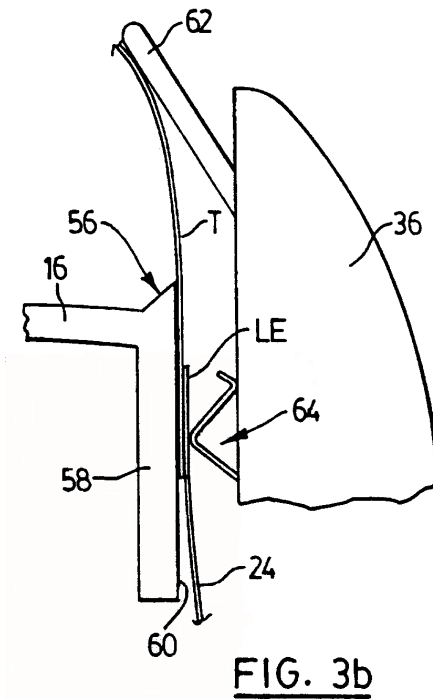
#### (1)(b) The relevant common general knowledge

- [20] The common general knowledge of this person would include knowledge of conventional ticket printing and dispensing systems and methods. This would include knowledge of various types of conventional printing means, drive means for advancing paper webs, and paper cutting means.

#### (2) The inventive concept of the claims

- [21] Based on the language of the claims, in view of the teaching of the description, and in consideration of the discussion of the subject at the hearing, we find that each of independent claims 10, 20, 32, 37, 39 and 49 relate to the same inventive concept, namely, the modification of a conventional ticket printing and dispensing machine, by the introduction of a retaining mechanism therein, in order to allow individual tickets to be ejected from the machine, wherein the leading end of one ticket is used to push and eject a previously printed ticket from the machine.

[22] One embodiment of the invention, represented by Figures 3a and 3b of the application, well illustrates this inventive concept. These drawings are reproduced as follows:



[23] In the embodiment illustrated above, the retaining mechanism of the device is indicated by reference character 64 (Figure 3b). This retaining mechanism is designed so as to hold a leading printed ticket T in place and, at the same time, to guide the leading edge LE of a following printed ticket 24, as it is advanced by the drive mechanism, into engagement with the leading printed ticket, whereby the leading ticket is pushed by the following ticket until the leading ticket is ejected from the machine. When this occurs, the following ticket becomes a leading ticket, and the process is repeated as another following printed ticket is advanced through the machine.

(3) Differences between the "state of the art" and the inventive concept

[24] In the Final Action, the Examiner cited the following prior art references:

GB 2 012 466 A	published 25 July, 1979
	Binnie
US 4,297,039 A	issued 27 October, 1981
	Lees
US 4,592,669 A	issued 3 June, 1986
	Lohse

[25] Lees is the primary reference relied upon by the examiner, this reference being cited either alone or in combination with one or another of the additional references against each of the rejected claims. As indicated by the Summary of Reasons and the Supplemental Analysis, of the rejected claims presently under review:

§ claims 10-16, 20, 22-24, 37-39, and 49 were considered obvious in view of Lees alone;

§ claims 17-19, 21, 32-36, and 48 were considered obvious in view of the combined teachings of Lees and Lohse; and

§ claims 40-47 and 50-56 were considered obvious in view of the combined teachings of Lees and Binnie [referred to by the Examiner as "Colin"].

[26] Based on the Final Action of the Examiner, the Applicant's response thereto, the Examiner's Summary of Reasons and Supplemental Analysis, and the discussion regarding the prior art that took place at the Hearing, the source of the difference of opinion between the Examiner and the Applicant on their respective conclusions on the question of obviousness is readily identified. Simply put, the Examiner alleges that Lees teaches the inclusion in a dispensing machine of a retaining mechanism, which provides for the ejection of an individual ticket from the machine by the pushing action of a following individual ticket as it is advanced by the drive mechanism. The Applicant, on the other hand, argues that this feature (which has been identified above as the inventive concept common to all of the claims under review) is not taught by Lees.

[27] As stated by the Examiner in the Final Action:

The correspondence (page 2, first full paragraph to page 3, first paragraph) once again contends that Lees teaches that the displacement of one ticket by a following ticket never happens and that there is nothing in the printer taught by Lees to hold the cut ticket in a confined manner so that the leading end of the successive ticket can contact and eject the cut ticket. As explained before, the scenario

wherein the cut ticket is *not* ejected from Lees' printer by a successive ticket is a special case and occurs only when the slot is blocked, for example, by a person's hand (figure 4; column 7, lines 45 to 64). When the exit slot (22) is not blocked, then the leading edge of the successive ticket will clearly slide between the trailing edge of the cut ticket and the guide (106), thus contacting the cut ticket, and via friction, serve to eject the cut ticket from the exit slot (figure 4).

[28] And as stated by the Applicant in the response to the Final Action:

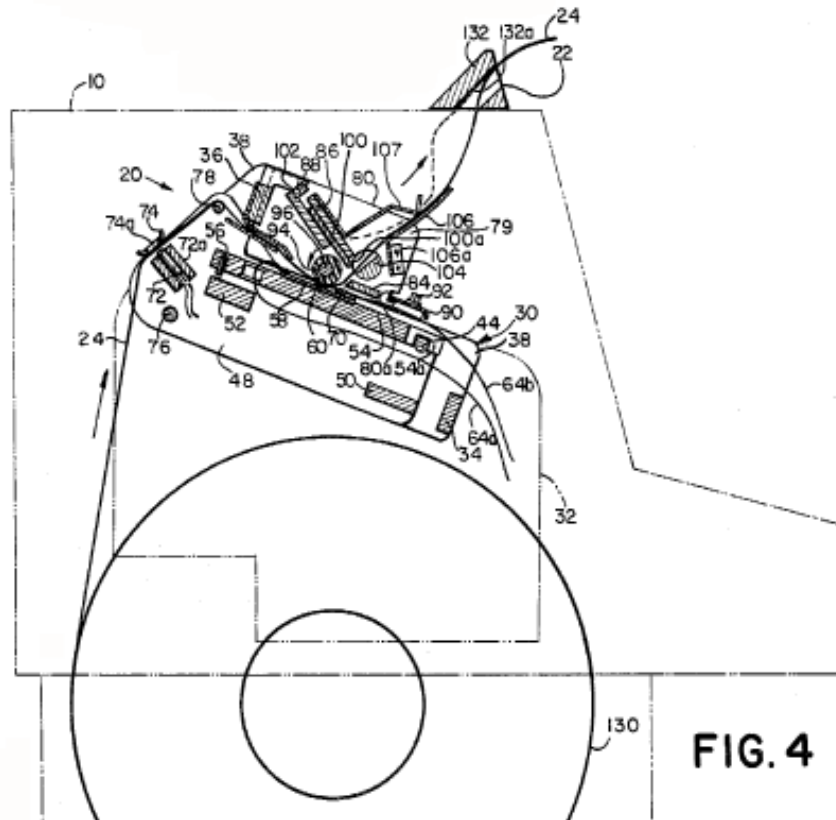
U.S. Patent No. 4,297,039 to Lees discloses a terminal having a cover, a keyboard and an input slot to receive marked cards. A ticket slot is also included. A ticket received by the ticket slot is advanced through the terminal, read and then ejected. A printer is provided within the terminal and prints and issues tickets through an output slot. During printing, a paper web is advanced to the printer. Once printed, a stationary knife and rotary knife effect cutting of the paper web to form tickets. At column 7, lines 51 to 64, Lees states that once the paper 24 is cut off, the trailing cut ends of the tickets are moved by the rotation of the knife 104 to the surface of support member 86 on which they will remain until withdrawn from the slot 22. Tickets held by the support member 86 do not backup but rather pileup.

The Examiner presumes that when the exit slot is clear, the leading end of each ticket would contact the trailing end of the prior ticket and eject it from the retaining mechanism prior to itself being held by the retaining mechanism. Applicant respectfully submits that the Examiner's presumption is entirely inappropriate and without merit. As can be seen in Figure 4 of the Lees reference, the resilient finger 107 holds the ticket being ejected at a location that is significantly spaced from the cutting knives. During cutting, the rotation of the knife is designed to move the free end of the ticket onto the surface of the support member. There is nothing in the Lees mechanism to hold the trailing end of the cut ticket in a confined manner so that the leading end of the next successive ticket can contact and eject the held printed ticket. Applicant wishes to remind the Examiner that the Examiner must stay within the specific teachings of the cited reference and not presume or expand the teachings of the cited reference beyond what is actually disclosed. Lees in no way teaches or suggests a printing mechanism that retains a printed ticket such that **the leading edge of a subsequent ticket contacts and ejects the held ticket prior to itself being retained**. The Examiner contends that if the slot is not blocked and a ticket is left in position, the leading end of the next cut ticket will eject the held ticket. Lees does not disclose such an operation. Many operating scenarios are possible if the above condition occurs. Lees does not discuss the condition in question and therefore does not describe any operating scenario. To suggest that the Lees device operates in the same manner as the Applicant's invention is simply speculation based on a hindsight post facto analysis, a position that is contrary to well established law. As the Examiner is aware, the cited reference is to be read by an **unimaginative person of ordinary skill in the art**. When read in the proper light, Lees does not render the Applicant's invention as claimed obvious. This position has been affirmed by both the U.S. and European Patent Offices, who have considered the same prior art and have granted patents on the claimed subject matter. [emphasis in original]

[29] As resolution of this difference of opinion will go a long way in determining the ultimate question of obviousness in this case, it is on this point we will now focus our attention.

- [30] Lees discloses a ticket printing and dispensing apparatus, for use in race track or lottery type betting. It is not disputed that Lees includes the following features: a drive for receiving a roll of paper material from a supply and advancing it; a printer for printing ticket information on the supplied material; a cutting device for cutting the paper into separate tickets after the paper has been printed; and a ticket access slot.
- [31] The disagreement, as noted above, relates to the question as to whether or not Lees discloses the particular retaining mechanism, and its resulting functionality, claimed by the Applicant.
- [32] After carefully reviewing the Lees patent, we find that this reference does not teach such a feature, for the reasons that follow.

[33] At first blush, Figure 4 of Lees, reproduced below, does generally resemble the combination illustrated by the drawings in the instant application.



**FIG. 4**

[34] As can be seen from a visual comparison of the drawings, the guide 106 and spring finger 107 of the prior patent to Lees are similar in appearance to upright wall 60 and retaining mechanism 64 of the present application, illustrated earlier.

- [35] However, despite the physical similarities of Lees' device with that of the present application, we are unable to find in the Lees' specification support for the feature of a following ticket ejecting a previous ticket from the exit slot.
- [36] Lees describes two operations of the device: (1) the operation of the dispenser in regular use, in which each ticket is successively printed, advanced through the device (until the leading end projects from the exit slot), cut, and manually removed from the exit slot; and (2) the operation in a circumstance where the exit slot is blocked by, for example, the hand of a user or operator. There is no description of the scenario described by the Examiner in the Final Action, in which the slot is not blocked, but where a following ticket is advanced past the cutting mechanism and toward the exit slot before the previous ticket has been manually removed, in which case the leading edge of a successive ticket would slide between the trailing edge of the cut ticket and the guide 106, thus contacting the cut ticket and, via friction, ejecting the cut ticket from the exit slot.

- [37] Although there is not a great deal of description in Lees relating to how the tickets are dispensed, we are not left totally to conjecture. At column 2, lines 42 to column 3, line 1, Lees describes the operation of the device in regular use [emphasis added]:

The present invention also provides guide means on the sub-frame for guiding the tape up toward an access slot or opening in a printer housing or cover through which tickets which have been printed and cut off may be removed. This opening ordinarily constitutes a slot through which the ticket may pass, and it is a common problem that the person taking the ticket, whether he be the customer or a machine operator, may sometimes block the opening. When this is done, the tendency is for tickets to pile up and jam the cutter so that the machine will fail to function properly. In accordance with the present invention, however, the frame is located in its operating position such that paper tape is guided toward an opening along a curved path. This curved paper path strikes a deflection surface adjacent the opening. The paper path is changed by the deflection surface into an S-shaped path such that pressure against the paper end will cause its S form to flex and resiliently yield, enlarging at least one loop of the S as a storage loop as it continues to be fed through the printer until it is cut off. Therefore, an individual ticket which is held within the printer by closing the opening will be retained and accommodated by assuming the S shape. Then, due to its inherent resiliency, when the opening is released, the ticket will release the energy stored in the enlarged loop and cause the end of the ticket to pop out of the opening and be readily removable.

- [38] And independent claim 6 (column 10, lines 20-24) sets forth, in part [emphasis added]:

. . . ticket port means through which the ticket must pass to be accessible and by which the ticket is held until manually removed, supported relative to the frame a distance less than the ticket length from the cut off means . . .

- [39] From the above passages we conclude that in regular use, the Lees apparatus does not automatically eject tickets out of the slot. Rather, an individual ticket in the prior art machine remains partially extending through the access slot until such time as it is manually removed by a customer or operator. Such an operation also makes sense when one considers the environment in which this apparatus is intended to be used, *i.e.*, race track or lottery type betting, where, in general, individual tickets (rather than batches of tickets) are provided to customers.

- [40] At column 7, lines 51-57, the function of the machine in cases where the slot is blocked is described [emphasis added]:

In fact, once the paper 24 is cut off, the trailing cut ends of the tickets are moved by the rotation of knife 104 to the surface of support member 86 on which they will remain until withdrawn from the slot 22. The ticket will remain in this position until the slot 22 is freed, at which time its end will pop out of the slot 22 to be easily grabbed.



- [41] From this excerpt, one can see that the trailing cut end of a cut ticket, while it is moved toward the (blocked) slot, by the rotation of the cutting knife, this movement is minimal, just sufficient to prevent the cut ticket from jamming the cutting means. And once the slot is unblocked, the ticket is not automatically ejected; rather, it projects partially from the slot, from which it is manually removed.
- [42] There is also some evidence, which, although not determinative on the issue, suggests that in a scenario where a following ticket is advanced past the cutting mechanism and toward the exit slot before the previous ticket has been manually removed, a successive ticket sliding between the trailing edge of the previous ticket and the guide would not necessarily frictionally engage the previous ticket and eject the previous ticket from the exit slot. At column 7, lines 59-64, in describing the operation in the event of a blocked slot, Lees states:
- ...subsequent tickets can pile up beneath the first ticket and assume the same contour so that despite the fact that the machine continues to run while the slot 22 is blocked, no jam will result, at least for a certain period of time, during which as many as 9 or 10 tickets might be printed.
- [43] It is seen from the above that in the case of a blocked slot, as many as 10 tickets may pass between the guide and the spring finger, taking the S-shaped configuration denoted by the dashed line in Figure 4. This suggests that the spring finger tension is not particularly strong. That being the case, it is questionable whether the spring finger would exert sufficient force to ensure that a successive ticket sliding between the trailing edge of the previous ticket and the guide will frictionally engage the previous ticket and eject it from the exit slot.
- [44] In any case, as noted above, we find nothing in the specification of Lees that describes the scenario in which a leading ticket is ejected from the dispenser by the engagement of a subsequent ticket. We agree with the Applicant that the Examiner's view that the Lees device operates in the same manner as the Applicant's invention appears to be speculation based on a hindsight analysis, aided by the knowledge of the Applicant's disclosure.
- [45] It was not alleged by the Examiner that the feature of a retaining mechanism that provides for the ejection of a ticket in the manner claimed by the Applicant was taught by either of the remaining cited references: Lohse and Binnie. It appears these references were cited to show that subsidiary features and details of the claimed invention were previously known. However, for the sake of completeness we reviewed these references with an eye for the particular retaining mechanism, and we find that neither reference discloses this feature.
- [46] Lohse discloses a printer, such as an inkjet printer or thermoprinter, in which a paper

printout is obtained by manually tearing the paper against a cutting bar, which is located at the slot where the paper exits the printer.

[47] Binnie teaches an apparatus designed to issue, verify, collect, and cancel tickets, the apparatus being normally associated with a turnstile to provide an automatic revenue collection system. The arrangement includes a guide means for diverting a ticket toward a slot, where it remains in position until removed by the user [column 3, lines 105-129].

[48] In summary, we find that none of the references cited as showing the state of the art disclose the feature of a retaining mechanism which provides for the ejection of a ticket in the manner claimed by the Applicant.

[49] Thus, to answer the question set out in step (3) of the approach, the difference between the state of the art and the inventive concept of the claims *is* the inventive concept, *i.e.*, the introduction of a retaining mechanism into a conventional ticket printing and dispensing machine, whereby the leading end of one ticket is used to push and eject a previously printed ticket from the machine.

[50] Before proceeding to step (4), we wish to add a few words concerning our application of steps (2) and (3). In step (2), we set out the inventive concept common to the claims under consideration, which resulted in something less than that which is identified by simply construing the claims.

[51] The subject of the inventive concept was discussed in the recent decision *Actavis UK Limited v. Novartis AG*, [2010] EWCA Civ 82. In the decision, Lord Justice Jacob, writing for the Court, stated, at paras. 19-20:

19. I would only add an extra word about step 2 B identifying the inventive concept. It originally comes from Oliver LJ=s formulation of the approach in *Windsurfing v Tabur Marine* [1985] RPC 59 at 73. Strictly, the only thing that matters is what is claimed B as Lord Hoffmann said in *Conor v Angiotech* [2009] UKHL 49, [2008] RPC 716 at [19]:

the patentee is entitled to have the question of obviousness determined by reference to his claim and not to some vague paraphrase based upon the extent of his disclosure in the description

20. The "inventive concept" can be a distraction or helpful. It is a distraction almost as soon as there is an argument as to what it is. It is helpful when the parties are agreed as to what it is. . . .

[52] In the present case, we chose to identify the inventive concept of the claims in order to

simplify the analysis. This decision was based upon our determination from our review of the specification, as well as Mr. Ruston's explanation of the invention at the hearing that the identification of the inventive concept could be readily done. The decision was also partly based on our appreciating that the assessment was further simplified once it was determined that each of the independent claims at issue in this case possesses the same inventive concept.

[53] However, had we been unable to readily identify the inventive concept, and instead simply construed the claims in step (2), we would have arrived at the same result in step (3). This is because the features recited in the claims over and above the inventive concept, namely, drive means, printer means, cutting means, and housing, while they would have been included as part of the construed claims in part (2), would have fallen out in step (3), as these features are all taught by the prior art patent to Lees.

(4) Do the differences constitute steps that would have been obvious?

[54] Firstly, as is apparent from the preceding sections, the modification of a conventional ticket printing apparatus by introducing the inventive concept results in a machine that dispenses tickets in a materially different way from the machines disclosed in the prior art. We state this only to distinguish this invention from the types of modifications to a machine which produce no new mode of operation, function, or result, which types of modifications cannot be viewed as inventive.

[55] With this in mind, in order to conclude that the steps taken to arrive at the claimed invention were obvious, or *Avery plain*, we would have to determine that not only were all of the various elements of the combination known from the cumulative effect of the teachings of the cited prior art references and the common general knowledge to the person skilled in the art on the claim date, but also that there was at that time some reason why this person would have been led to combine the relevant components from the mosaic of prior art in the manner claimed by the Applicant.

[56] In the present case, neither of these conditions is met. As we concluded above, the feature identified as the inventive concept is not disclosed by any of the cited prior art references. In fact, none of the references teach *any* means for automatically ejecting individual tickets from a dispenser, let alone the particular means claimed in the present application. Further, there is no evidence on record to suggest that such a feature was part of the common general knowledge on the claim date.

[57] As for the second condition, having determined that such a feature was not known or

suggested by the prior art, it logically follows that there could not have existed on the claim date any motivation that would have led the skilled person to modify the prior art dispenser by incorporating this feature therein.

[58] Accordingly, based on the record before us, we are led to the conclusion that the subject matter of independent claims 10, 20, 32, 37, 39 and 49 would not have been obvious to the skilled worker on the claim date, in view of the state of the art and common general knowledge.

[59] Since it follows that the dependent claims that depend on these claims must also be considered non-obvious, we conclude that claims 10-24 and 32-56 are not obvious.

### **SUMMARY**

[60] In summary, with respect to the entire set of claims presently on file:

- § claims 1-9, 57-61, 69-75, and 82-88 were found by the Examiner to be allowable;
- § claims 10-24 and 32-56 are found by the Board not to be objectionable on the grounds raised by the Examiner in the Final Action; and
- § claims 25-31, 62-68, and 76-81 were conceded by the Applicant not to comply with the *Patent Act* and *Rules*.

**RECOMMENDATIONS**

[61] Accordingly, the Board recommends that the Commissioner:

- (1) inform the Applicant, in accordance with paragraph 31(c) of the *Patent Rules*, that the following amendments are necessary for compliance with the *Patent Act* and *Rules*:
  - § deletion of currently pending claims 25-31, 62-68, and 76-81, and
  - § adjustment of claim numbering and dependencies of the remaining claims accordingly;
- (2) invite the Applicant to make the above amendments within three months from the date of the Commissioner's decision; and
- (3) advise the Applicant that:
  - i) if the above amendments and only the above amendments are made within the specified time, the Commissioner will consider the outstanding issues to have been addressed, and the application will proceed to allowance, and
  - ii) if the above amendments and only the above amendments are not made within the specified time, the Commissioner intends to refuse the application.

Paul Fitzner  
Member

Ed MacLaurin  
Member

Stephen MacNeil  
Member

**DECISION**

[62] I concur with the findings and recommendations of the Patent Appeal Board. Accordingly, I find that the following amendments are necessary for compliance with the *Patent Act* and *Rules*:

- § deletion of currently pending claims 25-31, 62-68, and 76-81; and
- § adjustment of claim numbering and dependencies of the remaining claims accordingly.

In accordance with paragraph 31(c) of the *Patent Rules*, I invite the Applicant to make the above amendments, and only the above amendments, within three months from the date of this decision, and I advise the Applicant that:

- i) if the above amendments and only the above amendments are made within the specified time, I will consider the outstanding issues to have been addressed, and the application will proceed to allowance; and
- ii) if the above amendments and only the above amendments are not made within the specified time, I intend to refuse the application.

I further advise the Applicant that the above-noted amendments are to be addressed to the attention of the Patent Appeal Board.

Mary Carman  
Commissioner of Patents

Dated at Gatineau, Quebec,  
this 14th day of April, 2010