

Commissioner=s Decision # 1308
D cision de la Commissaire # 1308

TOPIC: 000, B00
SUJET: 000, B00

Application No. : 2,294,324

Demande n°. : 2,294,324

IN THE CANADIAN PATENT OFFICE

DECISION OF THE COMMISSIONER OF PATENTS

Patent application number 2,294,324 was rejected under subsection 30(3) of the *Patent Rules*. The application has consequently been reviewed by the Patent Appeal Board and the Commissioner of Patents. The findings of the Board and the decision of the Commissioner are as follows:

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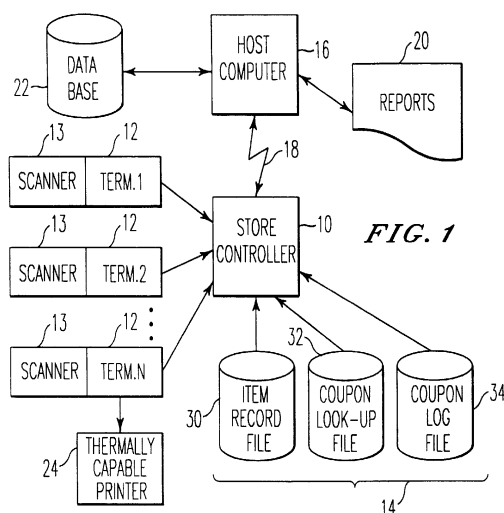
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INTRODUCTION

[1] This decision deals with a review of patent application 2,294,324 following its rejection in a Final Action.

[2] The Applicant is Catalina Marketing International, Inc. The inventor is Eric Williams and the invention is entitled A System and Apparatus for Dispensing Coupons Having Selectively Printed Borders Around Preferred Products@.

[3] The application relates to transactions where receipts are printed and, in particular, to point-of-sale (POS) computer systems of the type used in retail stores to record sales transactions. The POS systems of the present application are capable of printing or generating discount coupons conditionally having borders. Printing of coupons may depend on the purchase or non-purchase of a preselected triggering product. The main purpose of the border is to grab the attention of the consumer and reduce unauthorized reproduction of coupons (knock-offs).



[4] Figure 1 shows the components of a POS system of the type disclosed in the present application.

PROSECUTION HISTORY

[5] The application was filed via the Patent Cooperation Treaty (PCT) on 26 August 1998, claiming a priority date of 17 October 1997 through U.S. Patent Application number 08/953,646 (now Patent 5,926,795). The present application was published on 29 April 1999 and entered the National Phase under the PCT in Canada on 13 December 1999. Following several Office Actions, the Examiner rejected the application in a Final Action on 20 February 2004, finding the claimed subject matter to be obvious and certain claims to be indefinite.

[6] The Applicant filed a response to the Final Action on 6 August 2004. In its response, the Applicant amended claims 9-11, 13, 14, 21-23, and 27 and argued that the claims were neither obvious nor indefinite.

[7] Unsatisfied with the Applicant=s response, the Examiner maintained the rejection of the application. The Examiner forwarded a Summary of Reasons (SOR) to the Patent Appeal Board outlining the reasons for maintaining the rejection. In addition to the defects identified in the Final Action, the Examiner found that the amendments to the description and to claims 23 and 27, made in response to the Final Action, gave rise to the following new defects:

- (1) addition of new matter (contrary to section 38.2 of the *Patent Act*);
- (2) insufficient description (subsection 27(3) of the *Patent Act*);
- (3) inoperability and lack of utility (section 2 of the *Patent Act*); and,
- (4) indefiniteness (subsection 27(4) of the *Patent Act*).

The Examiner noted that most of these new defects were the result of amendments made in relation to the recitation of watermarks.

[8] Following the decision of the Supreme Court in *Apotex Inc. v. Sanofi-Synthelabo Canada Inc.*, 2008 SCC 61, 69 C.P.R. (4th) 251 (*Sanofi*), the Board sent a letter on 9 April 2009 to the Applicant outlining its preliminary view of the impact of the *Sanofi* decision on the obviousness analysis in the present case. The Board invited the Applicant to make any submissions it felt were necessary to address the change in law. The Applicant responded on 26 June 2009, providing submissions addressing the impact of the *Sanofi* decision.

[9] The Applicant declined several invitations to be heard by way of an oral hearing.

THE CLAIMS AT ISSUE

[10] The application contains both method claims and system claims. Claim 1 is representative of the method claims while claim 6 is representative of the system claims. They are as follows:

1. For use in a retail store point-of-sale system having at least one terminal at a customer checkout location with means for reading product codes on purchased items in a customer order, and a store controller with which the terminal can communicate, the store controller having access to an item record file containing price and other information for each product item, a method for printing a redeemable coupon in response to a purchase of at least one triggering item or a non-purchase of at least one triggering item, the method comprising the steps of:

preselecting at least one discountable product for which a discount coupon is to be printed;

preselecting at least one triggering product, a purchase of which or a failure to purchase of which is intended to initiate printing of a discount coupon;

storing details of at least one coupon deal relating to the discount coupon to be printed, and data in connection with the at least one coupon deal determining whether the discount coupon is to be printed with a border;

identifying the at least one triggering product in the customer order;

associating the at least one triggering product with the terms of the coupon deal; and

automatically printing at least one discount coupon conditionally having a border for the at least one discountable product, based on the details and the data of the at least one coupon deal and without intervention or participation of a customer other than in purchasing or in failing to purchase the at least one triggering product.

...

6. A system for printing a redeemable coupon in a retail store, solely in response to a purchase of at least one preselected item or a non-purchase of at least one preselected item, the system comprising:

at least one terminal at a customer checkout location, said at least one terminal having means for reading product codes on purchased items in a customer order;

a store controller with which said at least one terminal can communicate, said store controller having access to an item record file containing price and other information for each product item;

means for storing details of at least one coupon deal in which printing of a discount coupon for a selected product will be triggered by a purchase or non-purchase of at least one triggering product, and data in connection with the at least one coupon deal determining whether the discount coupon is to be printed with a border;

means for identifying the at least one triggering product in the customer order;

means for associating the at least one triggering product with the at least one coupon deal;

means for automatically printing at least one discount coupon conditionally having a border based on the details and the data of the at least one coupon deal and without intervention or participation of a customer other than in purchasing or not purchasing the at least one triggering product; and

means for printing at least one discount coupon not having a border as set by default by the retail store without the intervention or participation of the customer other than in not purchasing the at least one triggering product.

[11] The remaining 35 claims, most of which are independent claims, recite various additional features, such as:

- (1) Agenerating@ rather than Aprinting@ coupons;
- (2) reciting Atransactions@ instead of Apurchases@;
- (3) printing (or generating) a borderless default coupon;
- (4) basing the coupon on the number of products purchased, total dollar amount purchased, or the source/brand of the credit/debit card used;
- (5) varying the nature of the discount for selections of multiple products;
- (6) providing a plurality of borders;
- (7) discounted product and triggering product are from different suppliers;
- (8) printing of a watermark; and,
- (9) using two different colours for receipt and border on the same roll of paper.

[12] The features for which the Applicant made submissions will be addressed in the analysis below.

THE ISSUES

[13] The issues before the Board are as follows:

- (1) Are the claims on file obvious?
- (2) Are claims 7, 9-11, 13, 14, 21, and 22 indefinite?
- (3) Do claims 23 and 27, as amended, comply with the various sections of the *Patent Act* (as listed above in para 7)?

OBVIOUSNESS

Legal Framework

[14] Section 28.3 of the *Patent Act* is the statutory authority for obviousness. It reads as follows:

Invention must not 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.

[15] The Supreme Court of Canada revisited the approach to assessing obviousness as well as the appropriate legal test. In *Sanofi*, the Supreme Court adopted a four-step approach for assessing obviousness from the UK courts. The original four steps were elucidated in *Windsurfing International Inc. v Tabur Marine (Great Britain) Ltd.* [1985] RPC 59. Later, Jacob L.J. of the England and Wales Court of Appeal updated the approach in *Pozzoli SPA v. BDMO SA*, [2007] EWCA Civ 588 at 23, as follows:

In the result I would restate the Windsurfing questions thus:

- (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 it;
- (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?

[16] The Office set out its interpretation of *Sanofi* in a Practice Notice on Obviousness on

November 2, 2009 (Athe Practice Notice@).

[17] In decisions subsequent to both *Pozzoli* and *Sanofi*, Jacob L.J. provided further guidance on this approach. In *Actavis UK Ltd v Novartis AG*, [2010] EWCA Civ 82 (*Actavis*), Jacob, L.J. reiterated points made in *Generics (UK) Ltd v Daiichi Pharmaceutical Co Ltd & Anor* [2009] EWCA Civ 646 (paras 17-19) regarding the purpose of the four steps:

21. The first three steps merely orientate the tribunal properly. Step 4 is the key, statutory step.

...

23. As to step (4), all it does is to pose the question. It does not attempt to provide any structure for answering it. Depending on the facts, various approaches may assist.

[18] In *Nichia Corp v Argos Ltd* [2007] EWCA Civ 741 (*Nichia*), a decision following *Pozzoli*, but prior to *Sanofi*, Jacob L.J. provided further guidance on the fourth step, as follows:

21. The question [step 4] involves a value judgment which takes into account a variety of factors.

...

22. Because obviousness is a multi-factorial question, it is impossible to devise a more detailed sort of question, suitable for all cases. Windsurfing (4) cannot be further refined. The statutory question is the statutory question and none other. Attempts in the past to try to devise a question have all been built around the circumstances of the particular case.

[19] The additional guidance provided by Jacob L.J. in the above cases, is consistent with the Practice Notice (see page 3, last paragraph), as well as with our understanding of the Supreme Court=s intent in *Sanofi* in reviewing the law on obviousness in Canada at paras 60-67.

[20] The appropriate Approaches@ and Factors@ referred to in *Actavis* and *Nichia*, respectively, depend on the nature of the facts in each case. The *Manual of Patent Practice* of the UK Patent Office lists several examples of such considerations and tests (*e.g.*, obvious to try, long-felt want, commercial success, unexpected results, selection, etc...), which largely find support in the Canadian case law, in a table at paragraph 3.74 (July 2010 edition), along with the discussion that follows in subsequent paragraphs.

[21] The question of obviousness is a general factual inquiry in which the decision maker, within the objective framework established by the first three steps, must decide whether or not the subject matter at hand would have been obvious to the skilled person as of the relevant date. In addressing the statutory question, care must be taken to avoid the benefit of hindsight.

Analysis and Findings

[22] The following addresses each of the four steps set out in *Sanofi*.

(1)(a) Identify the notional Aperson skilled in the art@

[23] In the prosecution leading up to this review, the Examiner did not identify the skilled person (as it was not routine to do so in examination prior to *Sanofi*, nor is it strictly necessary in every case now). In its letter to the Applicant dated 9 April 2009, the Board described the skilled person as follows:

Identification of the notional person skilled in the art is important in order to set-out the common general

knowledge. However, there is no dispute before us regarding what was common general knowledge. As such, there is no need to identify who the skilled person is.

If we were to identify the skilled person, it would comprise a team that includes a marketing professional, a programmer with some experience in point-of-sale systems, and possibly a graphics designer.

[24] In its response to the Board's letter, the Applicant made no submissions on this point. Accordingly, the Board maintains its initial view of the skilled person, as set out above.

(1)(b) Identify the relevant common general knowledge of that person

[25] On this point, the Board provided the Applicant with the following:

Generally, from the application, the common general knowledge includes retail point-of-sale systems in general including their hardware and associated software (e.g., specific IBM products cited in the application).

[26] The Applicant disagreed with the Board, stating in its response that POS hardware and software are "often kept confidential or maintained as a trade secret". While this may be true in respect of certain specific implementations of POS systems, in the Board's view, it is contrary to what is stated in the application and the cited prior art.

[27] Under the heading "Hardware and Software Overview" the description states at page 18 that "the hardware used in this invention is conventional for [POS]..." and further on page 19 that "[a]ll of these aspects of the invention hardware and software are well known and well defined in the trade literature and IBM technical literature". On the same two pages, the specification cites as an example the "IBM 4690 Store Program", including its programming guide.

[28] Further, the present invention operates in the context of POS hardware and software but provides little detail regarding their design and operation. If the Applicant's submission was accepted, which it is not, the application would be defective under subsection 27(3) of the *Patent Act* as the skilled person could not practice the claimed subject matter using only the specification and the common general knowledge.

[29] In its letter to the Applicant, the Board identified statements by the Examiner in the Summary of Reasons that identify further points of common general knowledge, as follows:

1. The use of printers to print coloured and non-coloured text and design matter (including borders) [point 1 of Examiner's response in Summary of Reasons];
2. That items such as coupons, tickets, receipts, etc... can have graphics (including borders) printed on them [point 1 of Examiner's response in Summary of Reasons];
3. It was well known to use borders to draw attention (e.g., signs and advertisements) [point 2 of Examiner's response in Summary of Reasons]; and,
4. It was well known to use colour to make printed items more difficult to copy or forge (e.g., stamps and bank notes) [point 2 of Examiner's response in Summary of Reasons].

[30] The Applicant's response and the Board's findings regarding each of these points is as

follows:

Printing coloured and non-coloured text

[31] The Applicant did not address the first statement of common general knowledge as it applies to printers in general; instead, providing a more qualified point related to POS printers that "print in real-time in response to scanned purchases" (as opposed to printers in general). The Applicant added: Athat even if it was known to print coloured borders, it was not well known to vary the colours on the borders (in the context of the response time and based on the disclosed purchase triggers)@. The Board finds that, generally (i.e., not specifically POS printers), it was common general knowledge to use printers to print coloured and non-coloured text and design matter, including borders.

[32] As a final point regarding the first statement, the Applicant stated that thermally activated dye or chemical paper (for colour printing) was not well known. Perhaps it is debatable whether or not such paper was well known, but it was certainly known. Page 21 of the specification describes thermally activated colour paper known as ACMC II thermal roll@ (presumably commercially-available as of claim date). So even if the Examiner is wrong on this first point, it is evident from the specification that paper enabling this capability must have formed a part of, if not the common general knowledge, then the state of the art. Were it taken to fall within the state of the art, it would be identified as such in step 3 of the analysis and the result would not change in this case.

[33] Having considered the submission of the Applicant, the Board agrees with the first statement of the Examiner insofar as it relates to printing in general.

Graphics (including Borders)

[34] Regarding the second statement of common general knowledge, the Applicant submitted that it was not well known to vary the graphics on coupons or receipts in the context of conditional printing. The Board agrees with both the Applicant and the Examiner. The second statement of common general knowledge as it relates to coupons or receipts in a general context stands.

Use of Borders

[35] In respect of the third statement, the Applicant submitted that the specification discloses specific reasons for using borders that may not have been well known at the time, citing only "branding" as an example. We note that the Applicant did not deal specifically with the function of drawing attention which was the point made by the Examiner. Moreover, the specification does not appear to support the use of borders for branding. Accordingly, the Board finds that the third statement of common general knowledge stands.

Use of Colour

[36] The fourth and final statement of common general knowledge was not addressed directly by the Applicant. Instead, the Applicant pointed to the specific use of watermarks (which may or may not be in colour) in the context of a retail store receipt or coupon. Accordingly, the Board agrees with the fourth statement of common general knowledge. The skilled person would have appreciated that colour could be used to improve the security, or copy-protection, of printed items.

(2) Identify the inventive concept of the claim in question or if that cannot readily be done, construe it

[37] The Board provided the Applicant with its preliminary view of the inventive concept. As the Applicant=s response was silent on the inventive concept, the Board maintains its preliminary view.

[38] The inventive concept is a method and system for printing (or generating) coupons in

response to a purchase (or non-purchase) of at least one triggering item at a point-of-sale system. A border may be conditionally printed on the coupon, depending on coupon deal details and border data, both stored as a coupon deal.

[39] This is the Acore@ inventive concept shared by all claims on file. The numerous independent claims on file add various elements to this core and are addressed below. Notably, claims 23 and 27 add the printing of a watermark.

[40] In retrospect, the inventive concept could have been further refined in order to simplify the analysis. The specification suggests that any ingenuity would necessarily reside in the concept and not its implementation. The teachings regarding the implementation are simply too sparse to suggest that any innovation might reside therein. Thus, the inventive concept could have been further refined by omitting reference to the coupon deal details and border data B they speak more to the implementation of the concept than the concept itself. The Aessence@ of the invention, as Jacob L.J. put it in *Pozzoli*, is a point-of-sale method and system to print a coupon wherein a border is conditionally printed, depending upon the purchase (or non-purchase) of a triggering item. However, we feel compelled to maintain our preliminary view of the inventive concept so as to preserve procedural fairness. In any event, we believe that there would be no impact on the finding on obviousness either way.

(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

[41] Regarding the third and fourth steps of the *Windsurfing/Pozzoli* approach, the Applicant provided the Board with submissions regarding their legal interpretation but did not set forth how they apply to the facts of the present case.

State of the Art

[42] The Examiner re-applied two references in the Final Action: United States Patent no. 5,173,851 to Off et al. (owned by the present Applicant), issued 22 December 1992; and Canadian Patent Application no. 2,151,447 to Harris, published on 15 December 1995.

[43] Off et al., the primary reference cited by the Examiner, teaches point-of-sale systems and methods wherein coupons are printed on receipts at check-out terminals. The description is largely the same as the present description. The figures in each disclose the same apparatus (except that the printer in the present application is specifically shown as a Athermally capable printer@), the same data structures, and the same flowcharts in Figures 3 to 4d. There is no disagreement that Off et al. is silent on the printing of borders.

[44] It is the Board=s understanding that the second reference, Harris, serves only to show that watermarks were known as security features as of the claim date. Little is said in Harris about watermarks. Harris primarily deals with the production of tactile patterns in paper used for

security documents, including coupons, wherein the pattern is formed during a wet embossing step during paper making. In addition to the tactile pattern, Harris teaches that a watermark may be present in the paper.

Comparison of the State of the Art and the Inventive Concept

Conditional Printing Not a Difference

[45] Leading up to the Final Action, the Applicant's main point was that the claimed subject matter differed over the cited art in that the claimed subject matter teaches printing of a border upon data stored in connection with a coupon deal (page 4 of Applicant's response to Final Action dated 6 August 2004; page 3 of Applicant's letter dated 4 November 2003; and pages 2-3 of Applicant's letter dated 1 April 2003). In other words, the conditional printing of borders on coupons. The Applicant further submitted that the prior art does not disclose anything relating to the border of a coupon, and argued that the type of watermark disclosed and claimed by the present application is distinguishable from that taught by Harris.

[46] The Examiner addressed the Applicant's main point in the Final Action. The Examiner found that Off et al. teach that printed features (i.e., printed matter other than borders) on the coupon depend on the conditions and data stored in connection with a coupon deal.

[47] The Board agrees that Off et al. teaches conditional printing, albeit not of borders. In the present case, as the Applicant stated in its letter dated 1 April 2003, printing a coupon with a border depends upon the existence in the coupon deal's data of data indicating that a border (or a particular colour border or concentric borders) should be printed. While Off et al. does not teach conditional printing of borders, it does teach conditional printing of other elements of the coupon. For example, a data structure called the coupon deal record stores the value of the coupon, message to be printed on the coupon, dates of validity, offer description, and advertising message (see Off et al. column 5, lines 11-15; column 6, lines 28-65; and column 13, lines 20-22). Each of these printed elements depend on the data saved in the coupon deal record. In both the present case and the cited art, once a decision is made, *a priori*, regarding the content of a coupon, a coupon deal record is created which includes data representative of the printed features to provide the desired coupon. At run-time, when pre-determined criteria are satisfied for the printing of a coupon, the system uses the data stored in the coupon's coupon deal record to cause the printer to generate a coupon in accordance with the pre-stored data. This is no different than the conditionality offered in the present application in printing borders. So while the cited art does not teach conditional printing of borders on coupons, it does teach conditional printing of printed features on coupons.

[48] While the Board is satisfied that Off et al. teaches conditional printing, the cited prior art does not make any reference to providing the option to print borders on coupons. Accordingly, this is a difference over the state of the art.

Watermarks

[49] Off et al. does not teach printing watermarks on coupons. The Examiner cited Harris to show that security features such as tactile surfaces and watermarks were known. Harris does not disclose how the watermarks are to be formed, however, by stating that the watermarks are in the paper, we take it that the watermarks taught in Harris are not printed. In contrast, the present claims specifically recite watermarks of the printed variety. Thus, while it was known in the art to use watermarks on security documents such as coupons, the cited prior art does not teach the use of printed watermarks, as claimed by the Applicant.

Conclusion B Differences Over the State of the Art

[50] In summary, the difference between the state of the art and the inventive concept is the addition of an optional border and/or printed watermark when storing the specifics of a coupon deal in a point-of-sale system that prints coupons on receipts. Stated another way, the system and method of the present application provide the option of specifying that a border and/or printed watermark is to be included for certain coupons.

(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?

First Difference over the State of the Art B Optional Borders

[51] While Off et al. does not specify a particular presentation, or layout, of the information on the coupon, there is inherent variability in the content (e.g., offer description and advertising message) of the printed coupon. It is reasonable to expect that in practising the invention in Off et al., the manner of presentation of the coupon would also vary depending on the desired layout. This is presumably left to the person skilled in the art to decide based on their skill and judgment, as suggested by the Applicant in their letter dated 4 November 2003 (page 5, last paragraph). Further, including graphics on, *inter alia*, coupons, was well known as of the relevant date (see step 1 (b), above).

[52] We accepted that it was common general knowledge to include borders on a variety of printed matter, including coupons, to draw attention. In the background discussion of the application at page 3, the Applicant acknowledges that it was generally desirable to produce an eye-catching coupon (i.e., one drawing the attention of consumers). We therefore view the use of borders on a coupon as having been one of several options available to the skilled person in creating a coupon that is eye-catching and to differentiate coupons from one another.

[53] As we observed in step 3, Off et al. teaches conditional printing of coupons, albeit not coupons with borders. Given the inherent variability in the manner of presentation in the cited art, and that designing a coupon with a border would have been an option available to the skilled person, we do not believe any ingenuity would have been required to adapt the teachings of Off et al. to give the matter now claimed. In a sense, the Applicant is merely extending the known capability of conditionally printing one form of printed matter (the content of the coupons in Off et al.) for another (a border). In our view, the latter is analogous to the former. The Examiner stated in his Summary of Reasons:

Off et al. already teach making the printed matter [of a coupon] (e.g. the words, value, discounted item, expiry date, etc.) dependent upon the details and conditions associated with a coupon deal. A border is also printed matter . . .

We see no material difference in conditionally printing the printed matter forming the

coupon in Off et al. and conditionally printing printed matter comprising a border.

[54] The Applicant submitted to the Board that it was not common general knowledge to vary graphics on coupons or receipts in the context of response time and based on triggers. Nonetheless it is the Board's view that it would have been obvious to do so in view of the state of the art shown by Off et al., given the disclosed variation in the coupon details with the details of the transaction, and the inherent variation we believe would have been present in the graphical representation of the coupon details.

[55] Given our finding above, we also view the variation of the borders with the details of the transaction as obvious. As discussed above, it is known from Off et al. to vary the information on the coupon, which is represented by data stored in the coupon deal record, based on the transaction details. As details of the border would also be represented by data stored in the coupon deal record, it would be expected that the border details would be variable as well, depending on the transaction details.

[56] In arguing that the capability of providing optional borders is inventive, the Applicant pointed out that the claims recite either determining whether to print a border or varying borders based on the details of a transaction and submitted several examples that support the ingenuity of these differences. The Applicant submitted that borders (coloured or not) improve security of the coupons; and that borders can be used to emphasize certain coupons in order to grab attention or to support branding. Each of these arguments will be addressed in turn below.

Colour

[57] In view of our finding that it was part of the common general knowledge to use colour to enhance the security of printed items, we would see it as obvious for the skilled person to use this feature in relation to any kind of printed item, including the border of a coupon. Notably, there was no question that the state of the art provided the capability to print in colour, as the specification at pages 19-21 calls for the use of a conventional colour printer (e.g., IBM model number 4116 thermal printer). It would be left to the skilled person as to how to use such colour on the printed product. Hence, we believe that it would have been within the choices available to the skilled person to use colour on a border as part of a coupon, just as it would have been obvious to use colour on another portion of the coupon, to enhance its security.

[58] With respect to claims specifying variation in colour with the details of the transaction, we would find them obvious for the same reason we have found variation of the border with the transaction details obvious.

Borders as a Security Feature

[59] The Board does not agree that a border would be effective as a security feature to reduce counterfeiting. As the Applicant notes at page 3 of the description:

...standard coupons and the like, especially those which are black and white, are susceptible to duplication by photocopying.

The submissions on file do not show how a black-and-white border overcomes this difficulty. While colour borders, as recited in certain claims, might make a coupon more difficult to copy, we do not see this as an unexpected result B as noted above, it was common general knowledge to use colour to enhance security of a variety of security documents (e.g., bank notes, stamps, etc...). Accordingly, no unexpected result arises from the use of a border, coloured or not, to save the claims from a finding of obviousness.

Using Borders to Attract Attention

[60] On this point, we refer to step 1 where the common general knowledge is discussed. In particular, it was well known to use borders to draw attention. It follows that we do not see this as an unexpected result of using borders.

Branding

[61] Another advantage of being able to provide borders, according to the Applicant=s submissions, is that a coloured border may be used to support branding. The example cited by the Applicant was the use of a brown border to tie-in with a UPS advertising campaign. We note that there is no recognition of this advantage in the specification as filed. Subsequently recognized advantages are given no weight except in the most extraordinary cases (*Janssen-Ortho Inc. v. Novopharm Ltd.*, 2007 FCA 217 at para. 26). In any case, we doubt that this would be an unfamiliar use to the skilled person.

Second Difference over State of the Art B Watermarks

[62] In the present case, we fail to see any distinction between a printed watermark and a printed border in evaluating obviousness. Both are produced in the same manner, using the same printer. Indeed, in its response to the Final Action, the Applicant points to a passage of the description that discusses the printing of borders in order to support claims relating to the printing of watermarks.

[63] Regarding the security said to be imparted to a coupon by the use of the claimed printed watermarks, our view is that there is no reason to view the printed watermarks any differently than the security imparted by the printed borders, discussed above. The required ingenuity is not found here either.

Other Recited Features

[64] Many of the additional features recited in the claims are taught in Off et al. or are obvious extensions of the teachings in Off et al. For instance, Off et al. teaches:

- the amount of the discount depends on the number of triggering items or other predetermined factors (col. 3., lines 7-9; col. 12, lines 59-62);
- printing a coupon in response to the non-purchase of selected items;
- depending printing of a coupon on additional factors, such as purchase of a threshold number of items or a threshold dollar amount (col. 2, lines 56-59); and,
- printing of a default coupon.

Further, the Applicant provided no submissions to substantiate the ingenuity of any of the Asecondary@ features. In our opinion, they fall with the rest of the claims for lack of ingenuity.

Conclusion on Obviousness

[65] Thus the addition of the conditional printing of borders and/or watermarks to the teachings of Off et al. does not give rise to any ingenuity. Further, we do not see any ingenuity in the additional features recited in any of the various claims. The Board finds that claims 1-37 would have been obvious to the skilled person as of the claim date.

INDEFINITENESS

[66] While our finding of obviousness renders the remaining issues moot, we will briefly address them for completeness.

[67] The Examiner found that claims 7, 9-11, 13, 14, 21, and 22 are indefinite as they do not provide for generating a coupon in response to the purchase of a non-selected (or non-triggering) item/product B a function promised by the preamble of these claims. We have considered the claims as amended in response to the Final Action, as well as the Applicant=s submissions and, for the most part, we agree with the Examiner.

[68] The preamble portion of claims 9-11 recites that a discount coupon is to be generated in response to the purchase of preselected items or non-selected items. However, the claims later recite that the generation of the discount coupon is triggered by Aa purchase of at least one triggered product@, but no provision is made for generating a coupon in response to the purchase of a non-selected product.

[69] Claims 13, 14, 21, and 22 suffer from the same defect, though these claims use slightly different terminology.

[70] While we disagree with the Examiner=s reasons for arguing that claim 7 is indefinite, this claim would benefit from further amendment.

[71] Unlike the other claims the Examiner found indefinite, claim 7 does indeed provide for the coupon being triggered by the purchase or non-purchase of a triggering product and further recites that the coupon is printed Awithout intervention or participation by the customer other than in purchasing or not purchasing the . . . triggering product@. However, the skilled addressee must first assume that the Applicant intended Apreselected item@ to mean the same as Atriggering product@ (a problem also found in claims 9-11). These claims would require amendment to use consistent terminology. Use of two different terms to mean the same thing unnecessarily complicates an already complex claim set.

[72] Should these claims be found inventive on appeal, the claims would require amendment to render the claims compliant with subsection 27(4) of the *Patent Act*.

AMENDED CLAIMS 23 AND 27

[73] Claims 23 and 27, as amended in the response to the Final Action, recite the printing of watermarks. Among other defects, the Examiner found that this amendment introduced new subject matter. In fact, the claims as filed (see claim 37) recited the printing of watermarks. As such, the Board finds that the amendment does not introduce new matter.

[74] A number of other defects (as outlined under Prosecution History, above) were identified by

the Examiner, all related to the printing of watermarks.

[75] The Examiner holds the view that watermarks cannot be printed and that this term can only refer to watermarks that are created by varying the opacity of the paper itself, such as the ones taught by Harris.

[76] Applying the principles of claim construction, we see no difficulty with printed watermarks, as recited in claims 23 and 27. Claims are to be construed by the skilled person as of the date of publication. As of the publication date, we note that the term *Watermark* was used to refer to both the printed and manufactured varieties. Indeed, Microsoft Word 97 included the ability to specify the printing of a watermark in a document prior to the date of publication. The skilled person, construing claims 23 and 27, would have understood the applicant to be referring to the printed variety of watermarks. That watermarks were also known to be manufactured, as per Harris, would not have caused any difficulty in understanding these claims.

[77] The Board finds that the amendments to claims 23 and 27 are not defective for the reasons stated by the Examiner in his Summary of Reasons.

RECOMMENDATION

Obviousness

[78] In summary, the Board finds that the claims on file are obvious and fail to comply with section 28.3 of the *Patent Act*. Accordingly, the Board recommends that the application be refused.

Indefiniteness

[79] In the event a court finds the claims to be inventive on appeal, claims 7, 9-11, 13, 14, 21, and 22 would require amendment to comply with subsection 27(4) of the *Patent Act*.

Amendments to Claims 23 and 27

[80] The Board recommends that the Examiner's findings related to the amendments to claims 23 and 27 be overturned.

Mark Couture
Member

Stephen MacNeil
Member

Paul Sabharwal
Member

COMMISSIONER'S DECISION

[81] I concur with the finding of the Board that the claims on file are obvious. Accordingly, I accept their recommendation and refuse to grant a patent on this application.

[82] Under section 41 of the *Patent Act*, the Applicant has six (6) months within which to appeal my decision to the Federal Court of Canada.

[83] In the event of a successful appeal, I find that claims 7, 9-11, 13, 14, 21, and 22 require amendment to comply with 27(4) of the *Patent Act*.

[84] Finally, I concur with the Board's recommendation related to claims 23 and 27.

Mary Carman

Commissioner of Patents

Dated at Gatineau, Quebec

this 24th day of November, 2010