

Commissioner=s Decision #1311
D cision de la Commissaire #1311

TOPICS: 000
SUJETS: 000

Application No:2,292,065
Demande no:2,292,065

COMMISSIONER'S DECISION SUMMARY

C.D. 1311

App'n No. 2,292,065

The application relates to postage metering systems particularly a closed-type metering system in which the closed meter is coupled to a scanning device. In this way, closed meter systems have access to addressee information which allows them to create secure indicia in the same way open systems do. Having access to such information also allows closed systems to determine and print a postal barcode, such as the Postnet barcode, in addition to a secure indicium. It also allows for performance of change of address correction.

Obviousness

All of the claims in the application were rejected by the Examiner as being obvious in view of two combinations of references.

Held: rejection on these grounds reversed in part, affirmed in part.

The Commissioner found that the rejection of the claims of the application based on the

combination of Tygar et al.(1) and Allen et al. was unjustified, however she found that the rejection of the claims based on the combination of Tygar et al.(2) and Allen et al. was justified.

The application was therefore refused.

IN THE CANADIAN PATENT OFFICE

DECISION OF THE COMMISSIONER OF PATENTS

Patent application number 2,292,065 having been rejected under Subsection 30(3) of the *Patent Rules*, the Applicant asked that the Final Action of the Examiner be 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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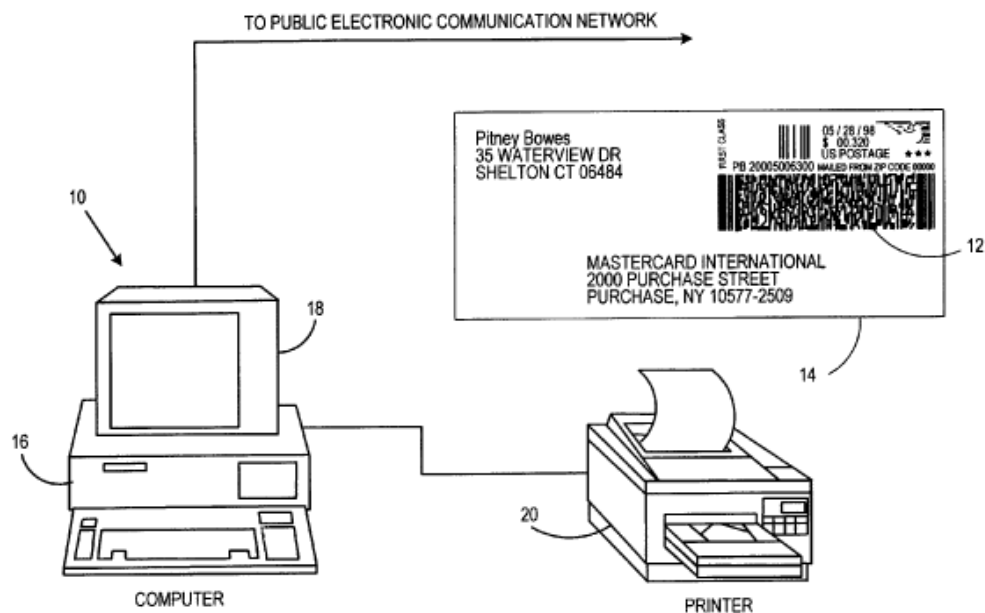
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INTRODUCTION

- [1] This decision deals with a review by the Commissioner of Patents of patent application no. 2,292,065 entitled ACLOSED SYSTEM METER HAVING ADDRESS CORRECTION CAPABILITIES.® The Applicant is PITNEY BOWES INC. The inventors are Robert W. Allport, Stephen Kelly, Timothy J. Nicholls, Christopher J. Capelli and Douglas B. Quine.
- [2] The invention relates to closed postage metering systems that print digital indicia, particularly a method of generating and printing a postal code (i.e. barcode) in addition to a postal indicium using a closed system postage meter which is coupled to a scanning device.
- [3] Historically, as discussed in the background section of the application, postage meters have been divided into two categories, open and closed.
- [4] In a typical closed meter, the printer is securely coupled and dedicated to the meter accounting functions, so that printing evidence of postage cannot take place without accounting for

such evidence. Such a device is typically a single stand-alone unit which is dedicated to metering activities. Examples of



such systems are conventional mechanical and electronic closed postage meters.

- [5] In comparison, in an open system the printer is not dedicated to metering activity, freeing it for other uses. An example of an open system is a PC based device with a digital printer. In such an open system it has been necessary to link the indicium to a particular mailpiece by including addressee information in the information included in the encrypted evidence of postage (i.e. indicium), which is printed on the mailpiece. Two figures illustrating open and closed systems are presented below, taken from other Pitney Bowes patent documents for illustration purposes only.

Closed System Meter

Open System Meter

- [6] As further disclosed by the Applicant, because of their nature, closed system meters have been generally limited to printing postage indicia on mailpieces. Since they lack access to sender and recipient address information for each mailpiece (which information would be stored on a PC in an open system), they lack certain capabilities of open systems, such as address cleansing and other value-added services.
- [7] By the present application, Applicant proposes to give closed system meters some of the capabilities of open systems by coupling a scanning device to the former. In this way, indicia created by closed system meters can be secured in the same manner as open systems by including addressee information in the encrypted indicia. In addition, and particularly relating to the claims of this application, having access to addressee information within the device allows for determination of an applicable barcode, such as a Postnet barcode, and performance of change of address correction.

PROSECUTION HISTORY

- [8] This application was filed in Canada on December 13, 1999 and claims priority from a US application filed December 30, 1998. It was rejected by the Examiner in a Final Action dated November 16, 2004. The Examiner rejected all of the pending claims 1 to 3 as being obvious in view of US Patent No. 5,703,783 to

Allen et al. [AAllen@] issued December 30, 1997 when combined with the teachings of either Tygar et al.(1) [ATygar(1)@] (*Cryptography: It=s Not Just For Electronic Mail Anymore*) published March 1, 1993 or Tygar et al.(2) [ATygar(2)@] (*Cryptographic Postage Indicia*) published January 1996.

- [9] In response to the Final Action the Applicant made a minor amendment to the description and amended claim 1 to specify that the method involves both the generation and printing of an open system type indicium and a Apostal code.@ Claims 2 and 3 were unchanged. The Examiner having determined that the amendments and arguments were insufficient to overcome the objections, the case was forwarded to the Patent Appeal Board along with the Examiner=s Summary of Reasons for maintaining the objections, which was forwarded to the Applicant on August 3, 2006. In an email dated August 9, 2007, the Applicant declined the opportunity for an oral hearing.
- [10] Subsequent to the release of the Supreme Court decision in *Sanofi-Synthelabo Canada Inc. v. Apotex Inc.*, 2008 SCC 61, 69 C.P.R. (4th) 251 [Sanofi], the Applicant was given an opportunity to make any submissions that it deemed necessary to address the effects of the *Sanofi* decision and was again offered the opportunity for a hearing. In their written response of June 3, 2009, the Applicant focussed their submissions on the applicability of an Aobvious to try@ test in the present circumstances, arguing that such was inappropriate, based on the fact that the present subject matter was not related to the pharmaceutical or chemical arts, and that postage meter system advances are not the sort often won by experimentation, as are those in such arts. The Applicant did not seek an oral hearing.

CLAIM LANGUAGE ISSUES

- [11] Upon a preliminary review of the present application, it became evident to the Board that there were clarity issues with some language used in the present claims, particularly the term Apostal code.@ The claims are reproduced below for convenient reference [emphasis added]:

1. A method for generating and printing a postal code on a mail piece with a closed system postage meter having a dedicated printer, the method comprising:
 - coupling a scanning device to said postage meter;

scanning recipient address information printed on said mailpiece;
 encoding the scanned address information into a postage
 indicium;
 automatically determining a postal code corresponding to
 the recipient address; and
 printing the postal code and the postage indicium on the mail piece using
 the dedicated printer.

2. The method of claim 1 comprising the further step of:
 comparing the recipient address information to corresponding address in
 an address directory database before automatically determining the postal
 code.
3. The method of claim 1 comprising the further steps of:
 determining if the recipient address information has changed;
 generating a corrected postal code when the recipient
 address information has changed; and
 printing the corrected postal code and the corrected address on the mailpiece.

[12] According to this claim, if Apostal code@ is given its broadest reasonable meaning to include the traditional alphanumeric postal code printed on an envelope, then claim 1 would involve scanning an address printed on a mailpiece (normally including a postal code) and automatically determining the applicable postal code, which would then be printed on the mailpiece. This would entail determining and printing a postal code that was already present on the mailpiece, a seemingly unnecessary exercise. Support for such a broad interpretation of Apostal code@ is, however, to be found at page 8, lines 18-20 of the description.

[13] On the other hand, a great deal of the description refers to the generation of a postal barcode such as the Postnet barcode referred to in the description (see page 3, page 4a and page 5, 1st paragraph). In such a case the claim would specify determination of such a barcode based on the scanned information, which would then be printed on the mailpiece as would the postal indicium. This construction makes more sense to us, however, the generality of the term Apostal code@ and the support in the description for a broad interpretation are problematic.

[14] In view of this ambiguity, the Board contacted the Applicant's agent and he agreed to discuss the matter with the Board via teleconference, which discussion took place on February 5, 2010. During this discussion, the Board also highlighted concerns with dependent claim 2. Dependent claim 2 specifies

that before the Apostal code@ is automatically determined, the scanned address is compared with address information in an address directory database. If Apostal code@ is to be construed as some type of Apostal barcode@, then dependent claim 2 would be redundant, as such a step would appear to be inherent in the Aautomatically determining a postal code ...@ step in claim 1. It is unclear, in view of the description, how such a step would otherwise be performed, making the broader meaning of Aautomatically@ in claim 1 uncertain.

[15] The Applicant=s agent indicated during the teleconference, provisionally (once confirmed with the Applicant), that Apostal code@ would be more appropriately replaced by Apostal barcode@, and that it would be appropriate to make an adjustment to the claims as a result of the above identified problem with claim 2. The Applicant=s agent also indicated that, along with proposed amendments in relation to these issues, which would be forthcoming, they would make submissions on the four-step approach under obviousness outlined in *Sanofi*, which they had not done in their previous submissions in relation thereto.

[16] To date, we have received no further submissions from the Applicant on any of the above issues and no response to follow-up enquiries to the Applicant=s agent regarding such submissions. Nonetheless, we must proceed in the absence of any such proposed amendments, and in the absence of input from the Applicant on the application of the four-step approach in *Sanofi*.

[17] However, we will proceed to assess the obviousness objection assuming that the identified ambiguity of claim 1 would be rectified by a requirement for amendment by the Commissioner under subsection 31(c) of the *Patent Rules*, should the application be found to be otherwise allowable.

ISSUE

[18] As per the Final Action and the Summary of Reasons provided by the Examiner, the issue to be addressed is whether claims 1 to 3 would have been obvious in view of the teachings of Allen when combined with either Tygar(1) or Tygar(2).

OBVIOUSNESS

[19] The Examiner's opinion on obviousness of the claims is reflected by the following passage from the Final Action:

The apparatus taught by Allen et al. (column 2, lines 24 to 65; column 5, line 39 to column 8, line 34) scans recipient address information printed on a mail piece, consults a database to verify the address, corrects the address if necessary, and prints the postal bar code corresponding to the correct recipient address (as well as the corrected address, if need be) on the mail piece. Although Allen et al. teach that this apparatus be used to process mail pieces intercepted from the mail stream, it is held to be obvious that a similar arrangement would be used at any stage of the mailing process in which it was desired to perform address hygiene, including the outset. As pointed out in the present application (page 2, lines 20 to 26), open system postage meters are already used to perform address cleansing at the outset, since they typically have access to address information. As was demonstrated by Tygar et al. in Cryptography (abstract; section 5) and Cryptographic Postage (abstract; section 5), it was already known in the art to couple scanning devices to postage meter systems in order to print bar codes containing information read from a mail piece itself. A skilled but unimaginative technician faced with the problem of outgoing mail requiring address hygiene and postal bar codes would be led directly and without difficulty to the claimed method after reading the teachings of Allen et al. and Tygar et al.

[20] In their response of March 7, 2005 to the Final Action, the Applicant stated in part that:

The present invention, in contrast to the system disclosed in Allen et al., relates to closed system meters that can determine and generate a Postnet bar code for a mail piece that is printed on the mail piece when the closed system meter prints an indicium on the mail piece, as well as performing change of address corrections on the mail piece. This is not simply a variation of the processing performed in Allen et al. In Allen et al., the address already printed on a mail piece that has entered the mail stream is read during processing of the mail piece by the USPS to determine if the mail piece is incorrectly addressed. If it is determined that the mail piece is incorrectly addressed, then a forwarding label is applied to the mail piece and the forwarding address is printed on the forwarding label. The processing in Allen et al. is performed by the post office after the mail piece has been prepared by the mailer and inserted into the mail stream. The present invention, in contrast, utilizes a closed system meter to generate and print a postal bar code while the mail piece is being prepared by the mailer. There is no disclosure, teaching or suggestion anywhere in Allen et al. of generating a postal bar code with a closed system metering device as in the present invention. The apparatus taught by Allen et al. does not contain a closed system metering device, and therefore does not complete the steps of the method described in the present claims.

The references to Tygar et al. do not overcome the above deficiencies, as they do not make any reference to determining and printing a postal code on a mail piece along with an indicium. Nor do either of the references to Tygar disclose, teach or suggest performing change of address corrections.

There is no disclosure, teaching or suggestion in any of the references cited by the Examiner of either the problem addressed or the solution as presented in the present application. The Examiner contends

that the Astage in an administrative and logistical process (such as mail delivery) in which an apparatus is to be used does not patentably distinguish that apparatus, particularly when the function and use of that apparatus is the same or analogous.® The Examiner fails to consider, however, that the functions of generating a mail piece, including an indicium that evidences payment of postage, and delivering mail pieces are not the same or analogous. Without using the present specification and claims as a road map, there is no basis for the Examiner=s contention that one would be led directly and without difficulty to the claimed method after reading the teachings of Allen et al. and Tygar et al.

[21] The Examiner in the above-cited passage from the Final Action pointed to Athe problem of outgoing mail requiring address hygiene and postal bar codes.® We are unable to, upon review of the specification, identify the presence of such a problem. While at page 2 the Applicant points to inherent limitations of closed system meters, no such specific problem has been outlined. What the Examiner has characterized as the problem includes features of the Applicant=s claimed invention (i.e. the proposed solution to the previously existing limitations). With regard to the Applicant=s comments, mention is made of the lack of disclosure, teaching or suggestion of the Aproblem addressed or the solution as presented® However, the Applicant does not identify any Aproblem.® Consequently, we cannot point to any general problem in the art, except for the inherent limitations of closed system meters, as compared to open system meters, as identified in the application, due to the lack of access to sender and recipient address information for each mailpiece.

Obviousness: Legal Principles

[22] 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.

[23] In *Sanofi*, the Supreme Court set out the approach to be followed in the assessment of obviousness, which now involves the following four steps, with the possibility of an Aobvious to try® test at step 4:

- (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?

[24] In the Applicant=s submissions of June 3, 2009, they opined that the present case was not one where an Aobvious to try® test was appropriate, it not being the type of invention contemplated by the Supreme Court for such an analysis (See *Sanofi* at para. 68). We agree with this assessment.

[25] In *Sanofi*, Rothstein J., at para. 65, equates obvious with Avery plain.® This interpretation has been noted by the Federal Court of Appeal in *Pfizer Canada Inc. v. Apotex Inc.*, 2009 FCA 8 at para. 29, 72 C.P.R. (4th) 41.

[26] In a case such as this where an argument is made that the invention would have been obvious in view of a combination of references, the following guidance from Justice Snider in *Laboratoires Servier v. Apotex Inc.*, 2008 FC 825 at para. 254, 67 C.P.R. (4th) 241; aff'd 2009 FCA 222, 75 C.P.R. (4th) 443 must be kept in mind:

As acknowledged by Servier, a mosaic of prior art may be assembled in order to render a claim obvious. Even un inventive skilled technicians would be presumed to read a number of professional journals, attend different conferences and apply the learnings from one source to another setting or even combine the sources. 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.

Analysis under the *Sanofi* Four-step Approach

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

[27] The person skilled in the art for the purposes of the present case would be a technician working in the field of postage metering systems, including closed and open systems. This person would also be familiar with mail handling systems in general, including the equipment used therein and its functions.

(1) (b) The relevant common general knowledge

[28] The common general knowledge of such a person would include knowledge of conventional metering systems, including open and closed metering systems, such as the information disclosed in the background portion of the Applicant=s specification at pages 2 to 3. Statements made by the Applicant in the application as to the prior art or common general knowledge are to be taken as binding admissions (See *Merck & Co., Inc. v. Pharmascience, Inc.*, 2010 FC 510 at para. 8) For example, the skilled person would be familiar with the differentiating characteristics of closed and open systems, such as a dedicated as opposed to a non-dedicated printer, the securing of open system indicia by inclusion of address information in the encrypted evidence of postage, and the inherent limitations on

the functionality of closed systems due to their lack of access to sender and recipient address information. The skilled person would also have knowledge of conventional mail handling systems and practices used by postal authorities.

(2) The Inventive Concept

[29] The inventive concept of claim 1 can be expressed as a method in which, as a result of coupling a scanning device to a closed system postage meter, address information is available to the system, which is then used to generate and print an open system type indicium, and which information is used to automatically determine and print a postal barcode on a mailpiece in addition to the indicium.

[30] The inventive concept of claim 2 comprises the additional feature of determining the applicable Abarcode@ by comparing the aforementioned address information to address information in an address directory database. Despite our discussion with the Applicant=s agent about the presence of this claim, we will proceed to take it into account, although, in view of that very discussion, the patentability of such a claim would most likely rise or fall with claim 1.

[31] The inventive concept of claim 3 differs from that of claim 1 in that it additionally comprises the step of performing change of address corrections and printing a revised address and corresponding barcode.

(3) Differences between the Astate of the art@ and the inventive concept

[32] The Examiner has applied the references to Allen, Tygar(1) and Tygar(2) in support of his obviousness rejection. We will review each of these references in turn and compare them with the inventive concept to see where the differences lie.

Allen

[33] Allen (US 5,703,783) discloses a mailpiece processing system

used to identify, intercept, and forward incorrectly addressed mailpieces from a mail stream at the time of mailpiece deposit into the system. The system is intended to be incorporated into the United States Postal Service (USPS) automated mail processing equipment. If the mailpiece is machine readable then an image of the address is captured, digitized and processed by an optical character recognition (OCR) system, and this information is then used to check for a forwarding address in the USPS National Change of Address database by identifying a matching address to that scanned. If one is found, then the mailpiece is intercepted and imprinted with the correct address and the applicable POSTNET barcode.

[34] If no forwarding address is found, then a destination (POSTNET) barcode is printed on the mailpiece corresponding to the delivery point ZIP code for the destination address. This barcode is then used by a sorter to direct the mailpiece to the appropriate mail pocket (See col. 6 and 7).

[35] For non-machine readable mailpieces the process is similar; however, some manual entry is required by a human operator in order to input the information necessary to perform the change of address check and retrieve the destination (POSTNET) barcode. Other minor variations on the system described above are disclosed but add nothing to our present discussion.

[36] The Allen reference does not refer to open or closed system meters, as noted by the Applicant in their response of March 7, 2005. In fact, it does not refer to metering processes at all. However, it is to be expected that at least a portion of the mailpieces that would have entered into the mail processing system would have had an indicium affixed by a postage meter. In connection with POSTNET barcodes, the Allen reference, in the discussion of the prior art processing of incoming mailpieces at a USPS General Mail Facility at col. 5, lines 24-38, identifies three types of incoming mailpieces, namely those that have machine readable addresses, those that do not, and those that already have a destination (POSTNET) barcode affixed thereon. Given that some mailpieces enter the mail stream having POSTNET barcodes already applied, logically these

must have been applied at the mailer end during mailpiece generation.

Tygar (1)

[37] This reference relates to the introduction of cryptographic techniques in the production of stamps for mail, by using barcode technology to encrypt the information which is used to produce an electronic stamp. The reference discusses prior art Aclosed@ meters and illustrates an unsecured stamp produced by such meters in Figure 1, which stamps can be easily forged.

[38] In order to minimize the probability of forgery of a cryptographic stamp the authors suggest, at section 2, page 3 of the reference, encoding

as part of the stamp all the information relevant to the delivery of the particular piece of mail - e.g., the return as well as the destination address, the amount of postage and class of mail, etc. - as well as other identifying information, such as the serial number of the postage meter, a serial number for the stamp, and the date/time (a timestamp).

[39] This information is then digitally encoded and cryptographically signed. The information and cryptographic signature are then put into barcode format and printed via a laser printer. Since the stamp contains information on the destination address, the stamp cannot be used to send mail to any other address, and time stamps limit the lifetime of copies.

[40] At section 5 of this reference, the equipment necessary for an electronic postage meter to create an electronic stamp is outlined, namely, a secure coprocessor, a PC, a laser printer, a modem, and optionally an OCR scanner and/or a network interface. The information which is used to create a secure stamp (i.e. destination and return addresses and weight/delivery class) is obtained from the word processor running on the user's PC via a local network, by using OCR software and scanning it from the envelope, or by direct user input at a keyboard. The secure processor then creates a cryptographic stamp in the form of a barcode.

[41] It is evident from the description of the non-dedicated system

configuration, namely the use of a PC and a laser printer, that what is being presented is an open-type meter system as opposed to the closed system of the present application. It is disclosed that the information necessary to create a secure stamp in such a system may be obtained by using a scanner and OCR software to read the address information off of a mailpiece. However, it is not suggested that such functionality be applied to a closed system type meter. Tygar(1) discloses the creation of an open system type indicium by an open system meter, as has been described in the background section of the present application.

- [42] Further, while Tygar(1) does disclose capturing information from a mailpiece in order to produce a secure stamp (i.e. indicium) in the form of a barcode, it does not disclose the determination of a barcode corresponding to the recipient address (e.g. POSTNET barcode) and printing that barcode on the mailpiece in addition to the secure indicium as in claim 1.

Tygar(2)

- [43] This reference is much like the Tygar(1) reference in that it outlines a system for producing a secure open system type indicium which incorporates within it information concerning the destination and return addresses of the mailpiece and the date/time creation of the indicium (see section 4 of the reference). The reference also discusses prior art closed system meters and the unsecured stamps produced by them. As in Tygar(1), the information included in the indicium is digitally represented, cryptographically signed and printed on a mailpiece in barcode format.
- [44] Tygar(2) initially describes the creation of a secure indicium in an open system environment comprising a non-dedicated laser printer or similar device, under the control of a workstation or PC. However in section 5 of the reference, the applicability of such an indicium to a closed system environment is discussed [emphasis added]:

Up to now, we have discussed systems which incorporate the destination address in the indicia. Unfortunately, this requirement precludes the

traditional stand-alone model of a postage meter which afixes[sic] an indicia without knowing the destination address. To use a stand-alone system with the above indicia, the operator would need to scan or manually enter the address information into the unit.

[45] The above passage clearly suggests (as noted by the Examiner at page 3 of the Final Action and page 3 of the Summary of Reasons) the option of creating a secure open system type indicium using a closed system meter (i.e. traditional stand-alone model). As discussed, in order to accomplish this, address information must be available to the meter system, which information can be obtained by scanning the address from the mailpiece. The closed system meter would of course need to be modified to then create the open system type indicium using the process disclosed. The particular technical implementation of creating the secure indicium is discussed in Tygar(2), but the addition of a scanner to a closed system meter is not. We would take this latter modification as being within the expected skill of one familiar with this art. We are reinforced in this view by the fact that Applicant=s own disclosure does not provide details surrounding the coupling of a scanner to a closed system meter. Were further information necessary to implement this, the present application would be defective due to lack of enablement of such an embodiment. However, it is our view that the Applicant=s description is not insufficient, and that the coupling of a scanner to a closed system meter would not present difficulties to the skilled person.

Conclusions on ADifferences@

[46] With respect to claim 1, looking to the Tygar(1) reference, the differences would be the inventive concept itself. Tygar(1) does not suggest the generation and printing by a closed system meter of an open system type indicium by coupling a scanner to the closed meter. Nor does it suggest the determination and printing of a postal barcode by such a closed system meter. With respect to claims 2 and 3, the differences would be those of claim 1 plus the additional features of those claims.

[47] It is evident from the observations above that the Tygar(2) reference represents the most relevant piece of prior art. This reference, unlike Tygar(1), discloses part of the

inventive concept identified earlier, namely the generation and printing, by a closed system meter, of an open system type secure indicium incorporating destination address information, by scanning the address information from the mailpiece and inputting it into the system which would then encode the information to produce a postage indicium.

[48] Consequently, with respect to claim 1, the difference between the inventive concept and the Astate of the art@ is the automatic determination of a postal barcode corresponding to the recipient address and the printing of this barcode on a mailpiece in addition to the postage indicium.

[49] With respect to claim 2, the differences would be those with respect to claim 1 plus the additional features of claim 2 relating to the look-up in an address directory database before determination of the barcode.

[50] With respect to claim 3, the differences would be those with respect to claim 1 plus the additional change of address correction features of claim 3.

(4) Would the differences have been obvious?

[51] With respect to claim 1, we pointed out previously that the differences between Tygar(1) and the inventive concept of claim 1 would have been the inventive concept itself. The additional reference by Allen would have been of no assistance in arriving at the subject matter of claim 1, since, as we noted earlier, Allen does not discuss metering processes at all. Therefore we see no reason why the skilled person would have made the modifications necessary to arrive at the inventive concept based on the combination of Tygar(1) and Allen. Likewise, claims 2 and 3 which depend on claim 1, would not have been obvious.

[52] In view of these findings, the analysis below focusses on the patentability of the claims in view of the combination of Tygar(2) and Allen.

Claim 1: Determination and printing of postal barcode

[53] We have previously pointed to the Applicant's disclosure in the present application of the known limitations of closed system postage meters and found these as being part of the common general knowledge of the skilled person. As disclosed, it is because of such limitations (e.g. lack of access to address information) that closed system meters lack the functionality of open systems, such as address cleansing and other value-added services.

[54] In step 3 above, it was revealed that Tygar(2) had suggested the coupling of a scanner to a closed system meter to provide the meter with access to the address information necessary to create a secure open system type indicium. Hence, at least as early as the disclosure by Tygar(2) in 1996, the perceived limitation put forward by the Applicant no longer existed. Given this, the person skilled in the art, as of the claim date, free of such perceived limitations, would have immediately recognized that the beneficial value-added services of open systems, such as address cleansing mentioned above, would have been equally applicable to closed system meters coupled to a scanner and having access to mailpiece address information. We consider this would have been so because the criteria for use of such value-added services was access to such address information. The question then becomes what value-added services, possessed by open systems, other than address cleansing, would have been equally applicable to closed systems with equal access to the address information?

[55] At page 3, lines 13-18 of the present application, determining the postal barcode is described as follows:

An additional benefit has been found concerning the use by a closed system of addressee information scanned from a mailpiece. In accordance with the present invention, a closed system meter coupled to a scanner can determine and generate a Postnet barcode for a mailpiece that is printed on the mailpiece when the closed system meter prints an indicium on the mailpiece.

[56] And at page 5, lines 3-11, it is stated that:

Through OCR techniques, the processor of the meter can determine the

Postnet bar code for the recipient's address based upon recipient's address information imprinted on the surface of the mailpiece. Using this information, the processor of the meter uses an address directory lookup table (preferably provided in the postage meter) to determine the Postnet bar code. Once the Postnet barcode is determined, a digital printer in the meter is then used to imprint the Postnet barcode on the outside of the mailpiece to provide expedited delivery of the mailpiece as well as potential reduction in postage for the mailpiece.

[57] The Applicant does not purport to have invented the use of the APostnet barcode. In fact at page 8, lines 18-20 they refer to it as a barcode used by the USPS and, as quoted above, its use has known benefits allocated by the USPS. Its use and method of creation therefore, were commonplace before the claim date of this application. We would take the creation of such a barcode as being one of the value-added services previously available to open system meters, but unavailable to closed system meters due to their lack of access to mailpiece address information, at least from the Applicant's perspective.

[58] With respect to the Allen reference, although this mainly relates to a system whereby address checking is done at a USPS general mail facility, the system also applies POSTNET barcodes to mailpieces as well. Once a mailing address has been scanned by a high resolution video image lifter (See Fig. 4), this address information is processed in the USPS ZIP+4 database to determine the delivery point ZIP code for the mailpiece. This delivery point ZIP code is then used to determine the POSTNET barcode which corresponds to the delivery point ZIP code for the destination address (See col. 6, lines 4-41).

[59] Allen reveals how a POSTNET barcode would have been determined based on information scanned from a mailpiece, functionality which we consider would have been a value-added service of open system meters and therefore applicable to closed system meters coupled to a scanner having access to mailpiece address information.

[60] Once it was known to give closed system meters access to mailpiece address information, as demonstrated by Tygar(2), there would have been a clear motivation to add the functionality already known to be associated with such access, given the known deficiencies of closed systems due to their

historic lack of access to such information.

[61] We therefore find that claim 1 would have been obvious in view of the teachings of Tygar(2) and Allen.

Claim 2: Comparing address information to determine the postal barcode

[62] We have previously discussed our concern with the presence of such a dependent claim since it would seem inherently necessary in order to automatically determine a postal barcode from the scanned information to perform some sort of database look-up. This view is reinforced by the previous discussion in relation to Allen which disclosed the use of the scanned information from the mailpiece to determine the delivery point ZIP code from the USPS ZIP+4 database, which was then used to determine the POSTNET barcode. In view of the foregoing, the features of claim 2 cannot serve to distinguish the claimed invention over the prior art. Accordingly, we find that claim 2 would also have been obvious in view of the teachings of Tygar(2) and Allen.

Claim 3: Change of address correction

[63] With respect to change of address correction, the discussion at page 5, lines 12-28 makes it clear that the applicant did not invent this process. It is disclosed that FASTforwardJ, the address management tool to be used, was provided by the USPS and therefore would have been part of the common general knowledge on the relevant date. It allowed mailers to get the latest correct address on mailpieces immediately before entry into the mailstream service.® It is stated that:

Heretofore FASTforwardJ has not been available for direct use with closed system postage meters.

[64] Based on the fact that this process was to be used before entry into the mailstream and the qualification that it was not available on closed system meters, we would understand that it was available for use with open systems, given their access to address information. In addition we note that in the Allen reference at the mail processing stage, change of address

correction is performed by processing the destination address in the USPS National Change of Address Database to determine if a forwarding address has been registered. If one is found, then the new address is affixed as well as the new POSTNET barcode (See col. 6-8). While this reference does not discuss a postage meter system it does reveal that the functionality of a change of address system was known, functionality which is in line with the additional features of claim 3.

[65] In light of our finding that it was already known to couple a scanner to a closed system meter to obtain access to mailpiece address information, this value-added service, previously applicable to open systems and mail processing systems, would have been equally applicable to such closed systems. The skilled person, as in the case of the determination and printing of a postal barcode, once the barrier to the use of such a value-added service had been removed by Tygar(2), would have immediately recognized the applicability of such an address correction function to closed system meters as well. Again, the known deficiencies of closed system meters in comparison to open system meters, as acknowledged by the Applicant, would have provided the motivation for the skilled person to add the value-added services of open systems to closed systems, once the access to address information necessary for such services became available.

[66] As a result we find that claim 3 would also have been obvious in view of the teachings of Tygar(2) and Allen.

RECOMMENDATION OF THE BOARD

[67] In view of the above findings, the Board recommends that:

- (1) the Examiner=s rejection of claims 1-3 as being obvious in view of Tygar et al.(1) and Allen et al. be reversed, and
- (2) the Examiner=s rejection of claims 1-3 as being obvious in view of Tygar et al.(2) and Allen et al. be upheld.

Stephen MacNeil
Member

Paul Fitzner
Member

Andrew Strong
Member

DECISION OF THE COMMISSIONER

[68] I concur with the Patent Appeal Board=s findings and their recommendation that:

- (1) the Examiner=s rejection of claims 1-3 as being obvious in view of Tygar(1) and Allen be reversed, and
- (2) the Examiner=s rejection of claims 1-3 as being obvious in view of Tygar(2) and Allen be upheld.

Accordingly, I refuse to grant a patent on this application. Under Section 41 of the *Patent Act*, the applicant has six months within which to appeal my decision to the Federal Court of Canada.

Mary Carman
Commissioner of Patents

Dated at Gatineau, Quebec,
this 23rd day of March, 2011