

Commissioner=s Decision #1321

Décision du Commissaire #1321

TOPICS: O00, B00

SUJETS: O00, B00

Application No: 2,397,287

Demande no: 2,397,287

COMMISSIONER'S DECISION SUMMARY

C.D. 1321

App'n No. 2,397,287

The application relates to methods and systems for providing evidence of postage payment. The Applicant has proposed a digital book of stamps as an alternative to the conventional physical book of stamps and the metered impression of postage indicia. Once a software module is purchased and downloaded from a remote site, the user may print the indicia on mailpieces as needed, in much the same way as one would use the conventional book of stamps.

Obviousness

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

Held: rejection on these grounds affirmed.

The Commissioner found that the rejection of the claims of the application based on the combination of Canadian Patent Application no. 2,266,644 and US Patent no. 5,655,023 was justified.

Indefiniteness

Claims 5-8 were rejected by the Examiner as being indefinite and therefore non-compliant with subsection 27(4) of the *Patent Act*.

Held: rejection on these grounds affirmed.

The Commissioner found that claims 5-8 were avoidably ambiguous and therefore indefinite.

The application was therefore refused.

IN THE CANADIAN PATENT OFFICE

DECISION OF THE COMMISSIONER OF PATENTS

Patent application number 2,397,287 having been rejected under subsection 30(3) of the *Patent Rules*, has consequently been reviewed in accordance with subsection 30(6) of the *Patent Rules* by the Patent Appeal Board and the Commissioner of Patents. The findings of the Board and the ruling of the Commissioner are as follows:

Agent for the Applicant

Sim & McBurney

6th Floor

330 University Avenue

Toronto, Ontario

M5G 1R7

INTRODUCTION

- [1] This decision deals with a review by the Commissioner of Patents of patent application no. 2,397,287 entitled ASOFTWARE BASED STAMP DISPENSER@. The Applicant is PITNEY BOWES INC. The inventors are Gary M. Heiden, Richard W. Heiden and Chunhua Li.
- [2] The invention relates to methods and systems for evidencing postage payment (i.e. providing proof of payment in relation to a mailpiece), particularly evidence which is provided via a personal computer.
- [3] As disclosed in the ABackground of the Invention@, the United States Postal Service (USPS) has approved, through its Information Based Indicia Program (AIBIP@), the use of PC-based open metering systems where a PC running metering software is coupled to a printer and a postal accounting unit known as a Postal Security Device (APSD@). Such systems create postal indicia comprising a two-dimensional barcode which is signed with a digital signature. The digital signature incorporates information relating to the evidencing of postage payment and is used to authenticate the indicium produced. A variation on open PC-type metering systems is the Avirtual meter@ where the accounting functions of the PSD are performed remotely from the PC and are accessible through, for example, the Internet.
- [4] PC-based systems provide much more operational flexibility by allowing a PC and its associated printer to be used for more than just postage accounting and printing, in comparison with

traditional closed metering systems where a printer is securely coupled to an accounting mechanism and dedicated to metering activity. However, such PC-based open systems still have their limitations, or perhaps, drawbacks.

[5] Renting a PSD or maintaining an account at a Data Center from which postage is drawn to replenish funds are costs above and beyond buying stamps, costs which small home office users or individuals may not want to incur, according to the Applicant. In a "virtual meter" type system, users may not want to have to connect to the Internet every time they want to put a postal indicium on a mailpiece. Other more general issues are that there is not a reliable verification system in place for IBIP-type indicia, a solution for which is complicated by the fact that these indicia must be verified at the same time as closed system indicia are verified (which do not have the 2-D barcode of open system indicia). There are different types of indicia created by mechanical and electronic closed system meters as well.

[6] To address the above limitations, the Applicant has proposed an alternative to the IBIP program for individual and small business users. It is also an alternative to the use of traditional stamps. The Applicant discloses the use of a digital "book of stamps", which is an electronic version of a traditional physical book of stamps. The book of stamps is purchased over a network (e.g., Internet) and comprises a "read-only software module that prints each digital postage stamp using stamp related information contained within the software module".

[7] As disclosed, the software module comprises stamp data and application software for generating and printing a stamp from the stamp data. In the alternative, the software module includes bitmaps of the stamps as well as application software for printing.

PROSECUTION HISTORY

[8] This application was filed on December 20, 2000 under the

provisions of the Patent Cooperation Treaty. The application entered the National Phase in Canada on July 31, 2002 and as such retains its international filing date as the Canadian filing date. The application claims priority from a US patent application filed December 29, 1999, this being the applicable claim date under section 28.3 of the *Patent Act*.

[9] The Examiner rejected the application in a Final Action dated March 27, 2006 in which all claims 1-42 were rejected as being obvious in view of Canadian Application No. 2,266,644 to Kara, opened to public inspection on April 9, 1998 and US Patent No. 5,655,023 to Cordery et al. issued August 5, 1997 [ACordery@]. Claims 1-4 were rejected as failing to describe subject matter fitting into any of the statutory categories in section 2 of the *Patent Act*. Claims 5-8 were also rejected as not complying with subsection 27(4) of the Act as being ambiguous.

[10] In the response to the Final Action dated September 26, 2006, the Applicant did not amend the application but provided arguments in favour of the claims on file. The Examiner, not having reasonable grounds to believe that the application was compliant with the Act and Rules, forwarded the case to the Patent Appeal Board for review in accordance with subsection 30(6) of the Rules, along with a Summary of Reasons outlining his position, which was forwarded to the Applicant on January 5, 2009.

[11] It is to be noted that the defect in relation to the claims under section 2 of the Act was not maintained in the Summary of Reasons. On March 2, 2009, the Applicant indicated that it would not seek an oral hearing and wished for the Board to consider the existing material on file.

[12] On November 17, 2010 the Applicant was given an opportunity to make any submissions that it deemed necessary to address the effects of the Supreme Court of Canada decision in *Apotex Inc v Sanofi-Synthelabo Canada Inc*, 2008 SCC 61, [2008] 3 SCR 265 [ASanofi@]. The Applicant, at the request of the Board, was provided with a Supplemental Analysis by the Examiner taking into account the four-step approach to assessing obviousness set forth in

Sanofi.

[13] The Applicant=s patent agent, Matthew Powell of the firm Sim & McBurney, in a telephone conversation on January 19, 2011, indicated that no further submissions would be made, but that the Applicant did not acquiesce to any of the Examiner=s arguments, standing by their previous submissions. Mr. Powell indicated that the Applicant simply requested an independent assessment by the Patent Appeal Board.

ISSUES

[14] The outstanding issues to be resolved are the following:

- Would claims 1-42 have been obvious to the person skilled in the art at the claim date in view of the teachings of Kara and Cordery and therefore non-compliant with section 28.3 of the *Patent Act*?
- Are claims 5-8 ambiguous and therefore non-compliant with subsection 27(4) of the *Patent Act*?

THE CLAIMS

[15] Independent claims 1, 5, 23, 28 and 39 relate to methods and systems for generating and printing digital postage stamps with each claim including the following features (except that where claim numbers appear, the feature is only present in those claims):

- a request is sent from a PC to a data center for a selected number of digital postage stamps
- payment may be processed for the digital postage stamps (claims 1 and 5)
- in response to the request a digital book of postage stamps is generated
- the digital book comprises a Read-only software module that prints each digital postage stamp using stamp related information contained within the software module
- the book of stamps is then sent to the PC
- the module may be run on the PC in order to generate and

print the digital postage stamps (claim 39)

[16] Independent claim 14 relates to a computer-readable medium storing the digital book of stamps software module, which is operable to cause a programmable processor to, after receiving a request for a digital postage stamp from a non-postage application, verify a user via a password, retrieve from the digital book of postage stamps software module user, server and unique stamp data associated with a first digital postage stamp and a first digital signature of at least one of the user, server and unique stamp data, and then print the digital postage stamp.

[17] There are several points that require clarification before proceeding to the obviousness analysis.

[18] Firstly, in the response to the Final Action the Applicant at page 4 contended that a purposive construction of claim 1 would find that the software module is PC-specific (i.e. configured to run on only one PC). Although this is highlighted as an important characteristic of the invention in the section entitled ASummary of Invention@, there is no such limitation expressed in the independent claims. It is only when one looks to dependent claim 3 that the stamp related information is specified as including Ainformation which identifies the requester and the first PC@ [Emphasis added]. As claim 3 is a refinement of the general Astamp-related information@ of claim 1, by the principle of claim differentiation (see *Halford v. Seed Hawk Inc.*, 2004 FC 88 at para. 93, 31 C.P.R. (4th) 434; aff'd 2006 FCA 275 at paras. 28-33, 54 C.P.R. (4th) 130) claim 1 is not so limited, and therefore not necessarily a PC-specific embodiment. This logic holds true for the other independent claims as well, except claim 39 which has no such dependent claim. However, since claim 39 also does not express a PC-specific limitation and uses language consistent with the other independent claims, it will also not be read as being a PC-specific embodiment.

[19] Secondly, the term Adigital book of postage stamps@ requires clarification. As recited in the claims, the digital book of postage stamps comprises a software module. As exemplified in

Figure 5, the software module includes application software (i.e., an executable file) as well as a file containing stamp-related data (illustrated as several data components: stamp data, user data, etc.). The application software contains algorithms for generating the stamps from the stamp data file within the book (see e.g. page 5, lines 28-30; page 6, lines 3-5; page 9, lines 4-6 and lines 22-25; page 10, lines 21-23; page 11, lines 2-12; and Figure 5).

[20] How the software module is packaged when it is distributed to a first PC in accordance with, for example, claim 1, is not detailed in the description. The only indications as to its structure are presented in relation to Figures 5 and 6, discussed at page 11. From these portions of the description, all one can say is what we have stated in the previous paragraph, that the software module comprises an application software component and a digital postage stamp data file.

[21] Finally, in the response to the Final Action, an issue arose as to whether the stamps necessarily have a predetermined denomination. This was noted in the Summary of Reasons submitted to the Board. Upon review of the claims, particularly the dependent claims, the Board finds that the independent claims are not limited to such an embodiment. For example, the feature that the stamp-related information stored in the software module includes the denomination of the digital postage stamp does not appear until one looks to dependent claims 4, 8, 17, 25 and 30.

[22] Therefore, according to the principle of claim differentiation noted above, the independent claims cannot be read as having such a limitation. While it is evident from the claims and description that a selected number of digital postage stamps are part of the software module (see e.g. the digital postage stamp data files at page 11, lines 5-12), the broad claims are not limited to supplying digital postage stamps of fixed denomination. This construction is also consistent with a broader embodiment of the invention disclosed on page 6:

In yet another embodiment, the user purchases a book of stamps of no predetermined denomination, i.e. a total value of postage. The digital

stamp software module then includes a user interface whereby the user selects the denomination for each stamp to be printed up to the unused amount of the book of stamps.

OBVIOUSNESS

Legal Principles

[23] Section 28.3 of the *Patent Act* sets out the requirement that a claim 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.

[24] In *Sanofi*, the Supreme Court set out a four-step approach to assessing obviousness, with the possibility of an obvious to try test at step 4, which test is not at issue in this case:

- (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?

[25] In *Sanofi*, Rothstein J., at para. 65, equates obvious with Avery plain.

[26] For 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 was provided by 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:

As acknowledged by Servier, a mosaic of prior art may be assembled in order to render a claim obvious. Even uninventive 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] In the Supplemental Analysis, the Examiner characterized the skilled person as :

... including business professionals as well as engineers and other technologists - faced with the problem of creating an alternative to using the United States Postal Service=s Information-Based Indicia Program (IBIP), and a technological infrastructure to support the alternative. The skilled worker (or team) is largely interested in devising an alternative for small or home business, for which the volume of mail sent may not justify the costs associated with acquiring a postage meter, postal security device, or account with a data centre.

[28] The above seems to not only identify the skilled person, but also to characterize his/her common general knowledge. The common general knowledge will be taken into account in step 1(b). Characterizing the skilled person as including business professionals and engineers and other technologists seems to be too general. The skilled person should at least be from the relevant field of the invention. For the purpose of this assessment we identify the skilled person more simply as a technician with experience in the field of postage metering and processing systems and someone who keeps abreast of developments in postage evidencing technology.

(1) (b) The relevant common general knowledge

[29] The Examiner characterized the common general knowledge of the skilled person as including:

... schemes for purchasing and dispensing postage, postage metering technologies, and the IBIP.

[30] The Examiner pointed to the background discussions of the present application and the prior art in support of the above. The Examiner also pointed to US Patent No. 5,510,992 discussed in the background portion of Kara as common general knowledge.

[31] What the Applicant portrays as common general knowledge in their own discussion of the prior art may be taken as such (see *Merck & Co., Inc. v. Pharmascience, Inc.*, 2010 FC 510 at para. 8, 85 C.P.R. (4th) 179). In view of the foregoing, during prosecution an examiner may, as a rebuttable presumption, take such information be part of the common general knowledge.

[32] However, while some of the material in the background portions of the prior art might be properly taken to be common general knowledge, when reference is made to a specific prior patent disclosure in such a background discussion, it cannot, without more, be assumed that the specific information contained therein has been so widely distributed so as to be generally known by persons skilled in the relevant art at the relevant time (see *Sanofi* at para. 37). The fact that a document forms part of the prior art does not make it part of the common general knowledge (*Abbot Laboratories v. Canada (Minister of Health)*, 2010 FCA 168 at para. 27, 85 C.P.R. (4th) 279, *Eli Lilly and Co. v. Apotex Inc.* (2009), 80 C.P.R. (4th) 1 at paras. 95-105; *aff'd* (2010), 90 C.P.R. (4th) 327).

[33] Based on the assessment of the background discussion in the application in the following paragraphs 34-40, we find therein all of the Examiner's points of common general knowledge. Therefore there is no need to ascertain what may or may not be taken from the prior art to be common general knowledge.

[34] As per the background of the invention discussion of the present application at pages 1-4, the person skilled in the art would be familiar with:

- various types of postage metering systems including open and closed systems, and the differentiating characteristics of each;

- the USPS Information-Based Indicia Program (AIBIP@) and its characteristics, including the use of a Postal Security Device (APSD@), a secure processor-based accounting device coupled to a PC to dispense and account for postal value stored therein in an open system; and
- the creation of digital tokens or signatures which incorporate encrypted information relating to the evidencing of postage payment, the alteration of which is detectable by standard verification procedures, which information is displayed on a mailpiece as part of a 2-D barcode.

[35] Being aware of the IBIP specifications, the skilled person would also know that:

- in an open meter system, meter processing is performed between the PC and PSD coupled thereto;
- registration and refill transactions in association with a Data Center are made through a local or network modem/Internet connection;
- debits and credits to such a PSD are accounted for locally; and
- PC applications such as a word processor or an envelope designer may access the metering application software.

[36] From the background discussion the skilled person would have been aware of a Avirtual meter@ system configuration in which:

- PSD functions are performed at a server which is remote from the PC and accessible through the Internet;
- client PCs run application software for requesting and formatting postage indicia, but all PSD functions are performed on servers located at a data center; and
- client PCs connect with the data center to process transactions such as postage dispensing, meter registration, or meter refills.

[37] The skilled person would have been aware of modern closed meter systems such as the Personal Post OfficeJ manufactured by Pitney Bowes which uses a link secured cryptographically between the

accounting and printing mechanisms, eliminating the need for traditional physical inspection of meters.

[38] The skilled person would have also been aware of the limitations of modern metering systems, including:

- the prohibitive cost of renting a meter or maintaining an account at a Data Center, as opposed to using regular stamps, in smaller scale mailing environments, as per the discussion on page 4 of the present application; and
- the inconvenience of having to connect to the Internet every time postage is needed in a virtual meter environment.

[39] Earlier we quoted from the Examiner's identification of the person skilled in the art and commented that it included some discussion of the common general knowledge of such a person. At this point we state that, while the skilled person would have been, as per the Applicant's background discussion, aware of the limitations of modern metering systems, there is no evidence that there was a general pursuit underway for an alternative for small or home businesses, as the Examiner suggests. At most, we find that there were known reasons why one would choose not to use a system such as that specified by the IBIP. An alternative would have been to purchase stamps from the post office, a practice with its own inherent difficulties when dealing with multiple mailpieces.

[40] At page 4 of the present application, the known problem of verifying evidence of postage payment is also discussed, in particular the fact that open and closed system indicia must both be verified at a mail processing center, though their characteristics are quite different.

[41] In relation to the contention by the Examiner in the Supplemental Analysis that offering goods for sale, including software and data, by downloading via the web is common general knowledge, the Applicant in the response to the Final Action does not appear to contest this point (see page 3 of the letter). The Applicant simply feels that nothing turns on it. The same

can be said in relation to the Examiner=s contention in the Final Action that read-only software was known. The Board therefore accepts both of these features to have been part of the common general knowledge.

(2) *The Inventive Concept*

[42] In the Supplemental Analysis the Examiner outlined the inventive concepts of the claims of the patent. In relation to the independent claims they were stated as follows:

Claims 1, 5, 23 and 28 recite methods and systems for purchasing, from a computer, a Adigital book of postage stamps@. This Adigital book@ is a read-only software module that, when executed by the computer, prints Astamps@ or indicia using information contained in the module.

Claim 14 recites a medium storing a software module that, when executed by a computer, can receive a request Afrom a non-postage application@, verify a user=s password, obtain user, server and unique stamp data from within the module, obtain a digital signature of some of this data from within the module, and print a stamp or indica.

Claim 39 recites a method similar to those of claims 1 and 5, but specifies that the remote computer is used to purchase the Adigital book of postage stamps@ from a data centre server (which generates the Abook@), and includes the step of running the software module to generate and print a stamp.

[43] As stated earlier, although the Applicant chose not to make submissions in response to the Supplemental Analysis, they did not wish to be taken as acquiescing to the Examiner=s opinions. The Applicant=s concerns in respect of the Examiner=s earlier characterization of the invention in the Final Action were stated as:

It is not possible for the Examiner to make a case for obviousness by comparing the Art to a broadened and distorted paraphrase of the subject matter. The art must be addressed to the properly construed claims. The Examiner has omitted, for example, the nature of the software, and the full intent of the claim, generation of digital postage stamps. Payment transaction is only one part of the claim.

[44] Implicit in the Examiner=s inventive concept statement above are other features of the claims. For example, inherent in Apurchasing@ the book of stamps would be steps of requesting it, processing payment and supplying it.

[45] The Board will focus its analysis on the independent claims of

the application first and then proceed, if necessary, to assess the subject matter of the dependent claims. In doing so, for the sake of making explicit what is being analysed for patentability, the inventive concepts of the independent claims can be presented and grouped as specified in the following paragraphs.

[46] Independent claims 1, 5, 23, 28, and 39 relate to methods and systems for generating and printing digital postage stamps which include the following features:

- a request is sent from a remote PC to a data center for a selected number of digital postage stamps
- payment may be processed for the digital postage stamps (claims 1 and 5)
- in response to the request a digital book of postage stamps is generated which comprises a Read-only software module that prints each digital postage stamp using stamp related information contained within the software module
- the book of digital postage stamps is then sent to the remote PC where it is stored
- the module may be run on the PC in order to generate and print the digital postage stamp (claim 39)

[47] Independent claim 14 relates to a computer readable medium storing the digital book of stamps software module, which causes a programmable processor to, after receiving a request for a digital postage stamp from a non-postage application, verify the user via a password, and generate and print a digital postage stamp using user, server and unique data associated with the stamp and a 1st digital signature of at least some of the user, server and unique stamp data.

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

[48] The Examiner=s case for obviousness is based on the combination of Kara and Cordery. These references are assessed below individually to determine the differences between the inventive concepts and what they each disclose.

Kara

[49] Kara discloses what would be aptly termed a Avirtual meter@ in

accordance with the language used by the Applicant in the present application. It is a system whereby the metering of the postage (i.e. the assessment of payment and authorization of postage) is accomplished at a location remote from a user PC. In such an environment a plurality of processor-based systems can access the remote location to demand postage.

[50] A first PC is located in a user's home or office and stores a program referred to as the ADemand@ program. The Demand program accepts information regarding the amount of desired postage and the mail piece for which it is needed. This information is used to make a demand for postage to a remote postage meter which is a second PC located at a postage provider's office or other central source.

[51] The second PC stores a program referred to as the AMeter@ program which verifies postage demands and electronically transmits the desired postage indicium to the first PC in the form of a data packet. When the Demand program receives the data packet, the postage indicium may be printed on a printer or special purpose label-maker. The postage indicium may contain encrypted information to be utilized by the postal service for security or other purposes.

[52] In this system the PC storing the AMeter@ program acts very much like the PSD described in the background portion of the present application.

Independent Claims 1, 5, 23, 28 and 39

- [53] In relation to a selected number of digital postage stamps being requested by a remote PC from a data center, while the Kara system functions much like a typical meter system in that information is used to create a customized postage indicium for an individual mailpiece, Kara also discloses embodiments where more than one indicium may be requested within a given demand for postage (see page 23, lines 18-23).
- [54] As an alternative to the usual inputting of various information to determine the necessary postage, Kara discloses embodiments where the user simply inputs a desired postage amount for the indicium (see page 18, lines 17-19 and page 25, lines 30-31).
- [55] In view of the foregoing options, Kara discloses an embodiment where the first PC (the Demand PC) requests a selected number of digital postage stamps from a data center (the second or Meter PC).
- [56] In relation to the payment transaction, payment may be made within the demand in a variety of ways. For instance, payment may be provided from an account with the data center or using point of sale methods such as with a valid bank card account (see Kara page 19, 20, and 25 at lines 6-19). Payment information may be stored on the Demand PC either outside of or incorporated within the Demand program (see page 20, lines 3-8). Alternatively, it may be input by the user at the time of demand creation (see page 20, lines 9-11).
- [57] Considering the above-noted options in Kara (e.g., simply inputting desired postage, inputting payment information at point of sale, requesting more than one indicium at a time, etc.), if one were to use these options, one would arrive at an embodiment where what is present on the Demand PC is equivalent to the software module of the present application (i.e., a software component and a data file or Apacket@ containing the information needed to generate a stamp). We will refer to this for convenience as the Abasic demand software@ of Kara in the following discussion.
- [58] Kara does not teach a Adigital book of postage stamps@ software

module downloaded to a PC which, when downloaded, includes both a stamp data file as well as application software for generating stamps. Rather, Kara discloses basic demand software which uses data packets (i.e., stamp data files) that are received from a data center, which packets are used by the basic demand software to generate stamps.

[59] Whereas the present claims recite downloading (i.e., sending) the software module comprising both the application software and stamp data together to a PC, Kara does not disclose when and how the basic demand software is stored on the Demand PC.

[60] In regard to the specification of the software module being *Read-only* we take any proprietary software such as the Demand program of Kara to be inherently *Read-only*. Even were this not the case, the Applicant accepts that such an option was part of the common general knowledge, as stated earlier under step (1) (b) of our *Sanofi* analysis.

[61] In relation to the feature of the book of stamps being sent to the remote PC and stored, the Demand program is, as per the discussion above, *somehow* already present on the Demand PC. The data packet, on the other hand, is sent to the Demand PC. The data packet, as discussed above, may contain a group of indicia of a requested denomination which, until used to print indicia, would be stored on the Demand PC.

[62] In relation to the feature of the software module being run on the PC to generate and print a digital postage stamp, in Kara the Demand program (or in its simplest form the basic demand software) uses the information in the data packet to generate and print the digital postage stamp.

[63] Based on the foregoing, the difference between what is disclosed by Kara and independent claims 1, 5, 23, 28 and 39 is that Kara does not disclose that the application software and stamp data are downloaded together as a software module.

Independent claim 14

[64] As noted above in our assessment of the differences between the other independent claims and Kara, once a data packet or

packets, embodying a selected number of postage stamps, is downloaded to the Demand PC, one ends up with something equivalent to the presently claimed software module. Stored in the Demand PC of Kara on a computer-readable medium (i.e., the PC's hard disk) would be the software for generating and printing the stamp and the data packet containing the information necessary to do so.

[65] Regarding the request for a stamp from a non-postage application, Kara discloses at page 8 that the Demand program may be coupled to a word processing program which allows the user to request and print postage indicia on items generated by the coupled process. In this manner, Kara discloses a request for a postage stamp being generated through a non-postage application, albeit through the intermediary of the Demand program. Further, as noted earlier at step (1)(b) of our *Sanofi* assessment, the Applicant acknowledges that as part of the USPS IBIP specification, PC applications such as a word processor or an envelope designer may access metering application software. This would equally apply to a postage indicia generating software module such as that claimed by the Applicant.

[66] Regarding password verification, Kara at page 15 discloses that upon activation of the Demand program, a user password is requested and validated. In this way, Kara disclosed such security in association with the software which generates the postage stamps.

[67] In relation to the information stored in the software module of claim 14, Kara discloses at pages 26-27 that the information included in the data packet comprises the date of posting, the amount of the postage (i.e., denomination), a unique transaction identifier (i.e., unique stamp data) and identification of the metering device (i.e., server data associated with the stamp). The data packet may also contain the sender's return address (which would include an origin zip code). At page 7, Kara discloses that the data packet may contain recipient address information as well as the Demand program serial number (the serial number would identify the

Demand PC and therefore most likely the user).

[68] On page 8, Kara discloses that the Demand program can transmit a variety of information to be encoded by the Meter program within the postage indicium using symbol technology which is machine readable, and which can be used to identify postage indicium forgeries. Information can also be encoded into a barcode printed separately from the postage indicium. On page 23 Kara suggests that information such as return address, destination address, date, time, or unique information such as the Demand program serial number or a transaction number be encoded in the postal indicium in a machine readable format. Based on these facts, Kara discloses the equivalent of a first digital signature of some of user, server and unique stamp data. Further, in Kara in response to the request, the digital stamp is printed.

[69] Based on the above, there are no differences present between claim 14 and what is disclosed by Kara. This is because, unlike the other independent claims, claim 14 claims the software module after creation and distribution when stored on a computer-readable medium.

Cordery

[70] Cordery in the background portion discusses prior art postage metering systems which use digital tokens, which are analogous to the data packets disclosed in Kara except that these tokens necessarily include encrypted information which is printed on a mailpiece. Information such as value of the imprint, the origination zip code, the recipient address or zip code, the date and piece count number are encrypted in such digital tokens and imprinted on a mailpiece. This provides a high level of protection by enabling detection of any attempted modification of the postal revenue block. These digital tokens need to be computed and printed in the postal revenue block for each mailpiece. A problem with this approach is the management of the keys used to encrypt the data, which must be shared among a postage evidencing device and postal or courier service and the postage evidencing device and the device manufacturer or

vendor. This sharing leads to security concerns. Also, refilling a postage evidencing device with postage funds requires separate keys and an associated management process.

[71] The invention disclosed in Cordery is the use of pre-computed digital tokens which are stored for subsequent use. The pre-computed digital tokens may have the value of the token and other data encrypted and thereafter stored for later retrieval and use in a portable storage medium. In this way there is no need for the digital tokens to be computed when they are needed for a mailpiece. A plurality of dispensable discrete items of encrypted data (stamps) are generated, each of the items of encrypted data having a specific value. The discrete items of encrypted data are stored on a portable medium along with a prepayment value which limits the dispensable number of such discrete items. The portable medium may have a register means in the housing storing the prepayment value. The discrete items of encrypted data are adapted to be formatted for printing. A selected item of encrypted data is communicated outside of the housing if the value stored in the register is at least equal to the value of the selected item.

[72] Basically, the Cordery system pre-computes all the tokens that may be required within a certain pre-specified period of time and stores them in storage media such as a smart card or CD-ROM, or read-only non-volatile memory (NVM) or any other suitable device (See col. 4, lines 54-58).

[73] The system includes a device reader 106 to receive the portable device and a controller 108 between the reader and a printer. To use the system the user enters the current date and desired postage denomination (the user can also enter rate classification or other rating parameters to determine postage). If the requested denomination and funds are available, then the postage is subtracted from the prepaid register. Digital tokens and piece count data are retrieved and sent to a postal revenue block formatting routine at step 420 (Figure 4), which is designed to format the data for printing in a form as shown in Figure 2.

Independent Claims 1, 5, 23, 28 and 39

[74] In specific relation to the independent claims, Cordery does not disclose a request from a remote PC to a data center for the digital tokens, since the secure portable storage device is loaded at the equivalent "data center" and then may be transported to the user's location to produce postal indicia. Cordery also does not discuss any payment transaction which is conducted. However, in the implementation of such a system we take it as beyond dispute that there would be a payment transaction, as postage must be prepurchased and stored on the secure portable storage device in the register.

[75] When the secure portable storage device is loaded as requested by the purchaser in Cordery, it is loaded with "digital tokens" which are not in and of themselves equivalent to the read-only software module of the independent claims. The digital tokens contain the data necessary to produce postal indicia. At col. 9, lines 40-43, it is stated that the postal revenue block formatting routine which formats the data for printing, desirably resides outside the secure portable storage device. However, since this is merely the preferred embodiment, this does not preclude the inclusion of the formatting routine on the portable device. The formatting routine, if included on the secure portable storage device would produce something equivalent to the read-only software module of the present application in that the portable device would contain the data necessary to produce a postal stamp and the software necessary to format it for printing. As was noted earlier in relation to the Kara disclosure, any proprietary formatting routines such as those of Cordery are taken to be inherently read-only, although not explicitly stated. In any case, again, the Applicant accepts that such an option was part of the common general knowledge.

[76] In Cordery, instead of the digital tokens, and possibly the formatting routine used to format the data for printing, being sent to a remote PC, they are loaded onto the secure portable

storage device which may then be transported to and interfaced with a remote postage system to produce postage stamps. When interfaced with the remote controller 108, and in response to data entry, digital tokens are retrieved and passed to a printer for printing. At the point where postage stamps are created, the Cordery system seems to be equivalent to the software module of the present application being run to generate and print a stamp.

[77] Based on the above, the differences between independent claims 1, 5, 23, 28 and 39 and Cordery are that in Cordery there is no transfer of a software module for producing digital stamps over a network (i.e., from a server to a remote PC) or a remote request for such a module. Instead, the "digital book of stamps" is stored on a portable device which may then be physically transported to the user's system in order to produce the stamps.

Independent claim 14

[78] In view of the discussion above, it is clear that Cordery does show the equivalent of a digital book of postage stamps software module stored on a computer readable medium, namely the secure portable storage device. Cordery however does not disclose the reception of a request for a postage stamp from a non-postage application. In Cordery the secure portable storage device is interfaced with advanced postage payment system 102, which seems to be similar to a postage meter. Cordery also does not disclose any verification of a password in response to a request for postage.

[79] Cordery at col. 6, lines 4-55 discusses what type of information is included within the digital token. It includes a postage amount (i.e., denomination, user data), a graphic indicium 204, an original post office code 206 (which would identify the system that generated the tokens), a vendor identification code 208, a secure portable storage device ID 210 and a digital token serial number 219 (i.e., unique stamp data).

[80] The digital tokens which are produced in Cordery are equivalent

to those that were produced in prior art systems , as discussed by Cordery in the background section of the patent, the difference being that they are pre-computed before being distributed to the user. As discussed in Cordery at col. 2, lines 22-30, information such as value of the imprint, the origination zip code, recipient address information (or zip code), the date, and a piece count number may be encrypted as part of the digital token and imprinted on a mailpiece, providing a high level of security against misuse. As such, the digital tokens produced by the Cordery system would also produce encrypted data representing a digital signature of the data.

[81] In Cordery, when the user requests postage from the secure portable storage device via the controller 108 the digital token is retrieved and formatted for printing.

[82] Based on the above, the differences between Cordery and claim 14 are the lack of interface with a non-postage application, and the lack of verification of a user password before allowing retrieval of the postage.

(4) Would the differences have been obvious?

Independent Claims 1, 5, 23, 28 and 39

[83] Before proceeding to an assessment of whether the combination of Kara and Cordery would have made Applicant=s invention obvious, a point put forward by the Applicant needs to be addressed.

[84] In the response to the Final Action, the Applicant argued that since Kara teaches away from providing Astamps@ and Cordery teaches providing predetermined denominations, they cannot be combined in order to render the claimed invention obvious. The Examiner in the Supplemental Analysis argued that since they are both in the same field and both directed to alternative postage systems, they may be combined.

[85] As we have shown at step 3, Kara does disclose embodiments where

a desired postage amount may be input in the request for an indicium. Kara also suggests an embodiment where multiple indicia may be requested during a session for download to the Demand PC, which would lead to multiple indicia of specific denomination being supplied to the requester. In this manner, both Cordery and Kara suggest the provision of a group of digital stamps to the user, of varying denominations. Therefore, the Applicant's position on their combination cannot be sustained.

[86] From the response to the Final Action, the remaining points in support of non-obviousness may be summarized as follows:

1. The claim is not to a software purchasing method, as contended by the Examiner, and therefore it does make a patentable difference that the sub-element software module contributes to the purpose of generating digital postage stamps.
2. It is not relevant that software and data for generating digital postage indicia are already sold over networks. What is relevant is how postal stamps are generated according to the claims.
3. Read-only software may be known but this would not lead the person skilled in the art, in view of Kara, to create read-only software to generate stamps instead of postage, which is what is delivered in Kara, Kara therefore teaching away from the invention.
4. The inherent advantages which flow from the claimed invention (e.g. no account required with a postage provider, no communication connection to a provider required for each printing) must be considered for patentability.

[87] With regard to Applicant's points 1 and 2, the Board has not characterized the invention as a software purchasing method. The software module and its functions have been taken into account in assessing the differences at step 3 above. While, as was stated earlier at step (1) (b), selling software and data by download via the web would have been commonly known, nothing turns on this, as it was shown by the prior art in any case and was therefore not a difference falling out from step 3.

[88] Likewise, regarding Applicant's point 3, given that software being in a read-only format was part of the common general knowledge, this was also not a difference falling out from step 3.

[89] Regarding Applicant's point 4 that the inherent advantages of the invention must be taken into account, based on our assessment of Kara and Cordery at step 3 above, these advantages would flow from both documents, which describe systems that allow for postage indicia to be generated and printed, from a previously downloaded group of

indicia, at a user location without communication to a provider or maintenance of an account for every indicium generated.

[90] Starting from the Kara reference (as the Examiner did in the Final Action), the question becomes whether it would have been obvious to modify the Kara system so that the software necessary to generate and print the indicia is transmitted to the user along with the required data, in the form of a software module; in the alternative, did the differences require any degree of ingenuity?

[91] The Cordery reference, like Kara, discloses providing a user with a "digital book of postage stamps." In the case of Cordery however, the formatting routine (equivalent to the application software component of the present invention) is, as noted earlier in step 3, more clearly suggested as being included with the data at the time of transfer to the user, as in the present claims.

[92] With respect to the Demand program taught by Kara, how it arrives on the Demand PC is left to the skilled person to determine. As we noted above, downloading software was common general knowledge. Accordingly, downloading the Demand program was one of the options available to the skilled person.

[93] Kara and Cordery seem to be variations on a method of distributing a group of digital postal indicia to a user. The skilled person, upon reviewing these references in combination, would be left with options as to how to distribute such indicia. It could be accomplished over a network as in Kara, or physically distributed to the user via a portable storage device as in Cordery. In both cases the digital stamps are stored in memory which the user may then access to retrieve them. Likewise, based on these disclosures, it would have been an option to include the application software necessary to generate a postage stamp with the data necessary to produce the stamp. Keeping the guidance from *Servier* in mind we find that the person of ordinary skill in the art, in view of Kara and Cordery would have been led to several options in distributing digital postage stamps to a user. Since Applicant's choice of distributing an application software component together with the data necessary to generate a digital postage stamp falls within these known

options, we find that it would have been obvious or Avery plain@ (see *Sanofi* above) to make such a choice, given that there is no evidence that such an embodiment has any unexpected advantage over the others, that was not already evident from the references cited.

[94] In view of the foregoing analysis, we find that independent claims 1, 5, 23, 28 and 39 would have been obvious in view of Kara and Cordery.

Independent claim 14

[95] As stated above with respect to step 3 of our *Sanofi* analysis, we did not identify any differences between claim 14 and certain embodiments disclosed by Kara. Upon review of the Supplemental Analysis, this seems consistent with the Examiner=s view, as the differences identified therein between Kara and the claims appear to relate only to the features of dependent claims.

[96] Given that there are no differences, claim 14 could be considered to have been anticipated, however, anticipation has not been raised as an issue. Therefore we find that claim 14 would have been obvious in view of the Kara and Cordery references, with Cordery, based on the differences identified between claim 14 and Cordery above, simply providing a possible variation on the functionality of the software module which is stored on the computer-readable medium.

The Dependent Claims

[97] As will be seen in the following paragraphs, the addition of the features of the dependent claims to those of the independent claims would have been obvious. These additional features represent limitations which were already known in conjunction with an electronic indicium from Kara and/or Cordery, or were suggested in light of their disclosures. The Applicant has not put forward, nor do we find, any unexpected benefit arising from the addition of these features.

[98] Dependent claims 2, 6, 26, 31, and 42 specify that the software module is transferred over the Internet. In Kara, the link

between the Demand PC and the Meter PC is described at page 14 as preferably public telecommunication lines and switching equipment, or alternatively digital communication over the Internet or similar wide area public gateway. In view of this and the discussion of the obviousness of creating a software module as claimed, the choice specified in the above-noted dependent claims would also have been obvious in view of Kara and Cordery taken together.

[99] Dependent claims 3, 4, 7, 8, 17, 24, 25, 29 and 30 add the limitations that the stamp related information of claim 1 (and the other related independent claims) comprise:

- first information required for each postage stamp
- second information identifying the requester and PC
- third information unique to the postage stamp
- first digital signature of at least some of first, second and third information

and further refine what specific information is included in each group.

[100] Kara, at pages 7, 23, and 26 discusses the information that may be part of a postal indicium, such as return address (which includes the zip code of the user's PC), destination address, date of posting (i.e., date of request), amount of postage (i.e. denomination), a unique transaction identifier (i.e., information unique to the stamp such as a sequential number), identification of the metering device (i.e., identification of the server generating the indicium), and Demand program serial number (as stated earlier, the serial number would identify the Demand PC and therefore most likely the user). At page 7, lines 24 and 25 it is also disclosed that the data packet may include information allowing its use only by a selected Demand program, such as the Demand program actually demanding the postage. In relation to the specification of Astatus information of the server@ as part of the server data to be used in generating an indicium, we take this to have been merely one type of information from amongst many known types that the skilled person was free to choose from in defining the data used to form the indicium.

[101] Although the above dependent claims do not specify that the PC signature information is used to provide PC specific operation, this is the clear purpose from the description, and so Kara's suggestion of information being included in the data packet to restrict use to a particular Demand program (i.e., a particular

PC), in our view, makes the particular information chosen from the known possibilities for that purpose obvious. Cordery discloses similar information which is incorporated into the indicium (see col. 6).

[102] With respect to the creation of a first digital signature, as was discussed in relation to the assessment of the differences with respect to claim 14, both Kara and Cordery disclose the use of a digital signature derived from information contained within the data packet or digital token, respectively.

[103] In view of the above we find that claims 3, 4, 7, 8, 17, 24, 25, 29 and 30 would have been obvious as well.

[104] Dependent claim 9 specifies that the software module is run on the PC to generate and print one of the postage stamps. In view of the fact that both Kara and Cordery contemplate software being run on the user end to generate a stamp from the supplied data and print it, claim 9 would have been obvious.

[105] Dependent claim 10 adds the limitation to claim 9 that the PC signature is verified before generating and printing the stamp and that the data used to generate the stamp is rendered unusable after printing. We have already found that specifying a PC signature as the information required in order to enable PC specific operation would have been obvious. Consequently, the explicit step of verifying such information prior to stamp generation would also have been obvious. The step of rendering the data associated with a printed stamp unusable would also have been obvious in view of both Kara and Cordery. At page 22 Kara discloses the destruction of a data packet upon successful printing, as does Cordery at col. 8, lines 14-19 with respect to the digital token.

[106] Dependent claims 11 and 41 specify that the software module is uninstalled from the memory when all the digital postage stamps in the book of stamps have been printed. As noted with respect to claim 10, Kara and Cordery both disclose the step of making the data associated with a stamp unusable once the stamp has been printed. They do not discuss the uninstalling

of a software module as claimed which includes such data. However, we have found that the generation and use of such a module would have been obvious. Consequently, the natural results of the use of such a module must be considered. If, as we have found, it would have been obvious to generate and store such a software module on a PC in response to a request for a book of digital postage stamps, and run the module to generate and print indicia, then we are of the view that it would have been obvious to uninstall such a module when the available stamps had been exhausted. If one must download such a module which includes both the image generation algorithms and the data used to generate such an image every time one purchases a group of stamps, then eventually one would be left with a group of modules consisting only of the image generation software and no usable data files. It would only seem logical to remove such useless software from one's PC. To make an analogy to the traditional book of paper stamps, once one had used all the stamps, one would normally discard the unusable package in which they were contained.

[107] Dependent claims 12, 13, 18 and 19 specify that a second digital signature of addressee information is created and printed and that this second digital signature is a concatenation of the first digital signature and the addressee information. We note that in the Applicant's own discussion of the prior art in the present application, which we discussed at step 1(b) of our *Sanofi* analysis, above, and noted by the Examiner in the Supplemental Analysis, it was acknowledged that systems were generally known which employed encrypted information printed on a mailpiece as part of an indicium. This encrypted information, typically referred to as a digital token or signature, authenticates and protects the integrity of information and is used to detect fraud by standard verification procedures. It was also acknowledged that the USPS IBIP relies on digital signature techniques to produce a verifiable indicium for each mailpiece and requires a two-dimensional barcode which is digitally signed. In view of these facts, despite the lack of an explicit recitation of such a second digital signature in *Kara* or *Cordery*, we take it as having been obvious to the skilled person to form such a digital signature,

and we take it to have been evident that there was a variety of information available to choose from in forming the same (e.g., addressee information, sender information, postage value, etc.). The particular choice of the type of information to be used would have been merely a selection from within known possibilities with the effects of such a choice being quite evident.

[108] Dependent claims 15, 16, 34, and 35 add the limitations that in producing a digital stamp either a representation of the stamp may be produced from the data stored in the software module, or a graphical image of the stamp may be retrieved from within the module. Kara, at page 8 and 27 discloses that the data packet may contain the indicium to be printed, or the data necessary for the Demand program to generate the indicium and the advantages/disadvantages of each. Therefore, looking at Kara and Cordery together, claims 15, 16, 34, and 35 would have been obvious to the skilled person.

[109] Dependent claims 20-22 further specify that the computer readable medium is located within a PC, specifically a hard disk as in claim 22. Likewise, dependent claim 40 specifies that the software module is stored in the memory of the remote PC. While in Cordery the digital tokens are stored on a portable medium, Kara discloses the other option of the book of stamps being stored on a PC (the Demand PC). The specific embodiments of storing the stamps on the remote PC memory, more particularly the hard disk, was therefore known from Kara. In view of Kara and Cordery taken together, such an embodiment would have been simply a choice of one of the known options of where to store the book of digital stamps so that it may be accessed by the user.

[110] Claim 20 also specifies that the software module is downloaded to the personal computer via Internet communications. Such a feature would have been obvious for the same reasons given in relation to claim 2, noted above.

[111] Dependent claims 27 and 32 further specify that a payment transaction is conducted for the digital book of stamps. As

has already been discussed with respect to the independent claims, such steps are known from both Kara and Cordery and therefore do not lend patentability to the claims.

[112] Dependent claim 33 would have been obvious for the same reason given with respect to claim 10 in relation to the verification of PC signature before generating a digital stamp.

[113] Dependent claim 36 would have been obvious for the reason given with respect to claim 10 in relation to rendering the stamp data unusable after printing.

[114] Dependent claims 37 and 38 further specify that a verification system is present to verify the digital postage stamp as evidence of payment and to verify a digital signature of the stamp. As noted earlier at step 2, Applicant acknowledges that it is well known to digitally sign a postage indicium and that altering the encrypted printed information is detectable by standard verification procedures. In view of this disclosure, the use of such known features in a postage system which uses the digital stamps of the present application (e.g., Kara and Cordery) would have been obvious.

[115] In view of the foregoing analysis, we find that the dependent claims would have been obvious as well in view of Kara and Cordery.

INDEFINITENESS

Legal Principles

[116] Subsection 27(4) of the *Patent Act* outlines the requirements of the claims:

27(4) The specification must end with a claim or claims defining distinctly and in explicit terms the subject matter of the invention for which an exclusive privilege or property is claimed.

[117] What the above means in practical terms has been discussed in the classic passage from *Minerals Separation North American Corp. v. Noranda Mines Ltd.* [1947] Ex.C.R. 306 at 352 (*Minerals*

Separation) in relation to the equivalent former subsection 14(1):

By his claims the inventor puts fences around the fields of his monopoly and warns the public against trespassing on his property. His fences must be clearly placed in order to give the necessary warning and must not fence in any property that is not his own. The terms of a claim must be free from avoidable ambiguity or obscurity and must not be flexible; they must be clear and precise so that the public will be able to know not only where it must not trespass but also where it may safely go. If a claim does not satisfy these requirements it cannot stand.

[118] With the above in mind, we turn to a consideration of the facts at hand.

Analysis

[119] The alleged deficiency of claims 5-8 is set out in the Final Action as:

Claim 5 states in its preamble that it is claiming a method for buying and printing digital postage stamps, but does not describe any steps that would result in stamps being printed.

.....

the preamble implies there will be a step of printing, but the claimed method contains no such step. In effect, the preamble is contradicted by the remainder of the claim.

[120] Since claims 6-8, which depend on claim 5, also omit such a step, the Examiner contends that those claims are also defective.

[121] The Applicant, in response to the Examiner's assertion, pointed to a recent discussion of ambiguity in *Pfizer Canada Inc. v. Canada (Minister of Health)* (2005), 46 C.P.R. (4th) 244 (F.C.). As per the quoted passages a claim is not invalid simply because it is not a model of concision and lucidity. Applicant's position is set out at page 14 of their response as:

(i) an implied step does not give rise to the kind of doubt in a skilled person's mind that a court would consider to constitute >ambiguity=; and (ii) the requirement for claim >explicitness@ extends to the definition of exclusive privilege. Thus, if a method step were not a distinguishing step, with respect to the art, it would not need to be exclusively listed in a claim; and (iii) One does not need to say something twice to establish explicitness. Printing is explicitly stated in the preamble. The preamble is part of the claim. Although a *step* may be implicit, the activity itself is explicit. The *Patent Act* requires *explicitly termed claims* not *explicitly termed steps*. In fact, steps are not mentioned in the *Act*.

[122] With regard to point (i) while it may not always be the case that a step which is implied is a problem with respect to clarity of the claims, it may be in a given instance. If something is only implied in a claim, then it is, by definition, not explicitly recited, but it may be possible that it need not be recited for that particular case (e.g., the skilled person would know that it was always present). With respect to point (ii), we first set out claim 5:

5. A method for buying and printing digital postage stamps through a PC, the method comprising the steps of:

establishing communications between the PC and a data center server;
 sending a request from the PC to the server for a selected number of digital postage stamps;
 providing payment information needed to conclude payment for the selected number of digital postage stamps;
 receiving a digital book of postage stamps, the digital book of postage stamps comprising a read-only software module that prints each digital postage stamp using stamp related information contained within the software module; and
 storing the digital book of postage stamps in memory storage accessible to the PC.

[123] While we of course agree that if a particular method step is not necessary to distinguish over the art, it need not be recited in the claims since it would be an unnecessary limitation (unless of course such a step is necessary for proper operation of the invention), we are of the view that it need not be alluded to either. As stated in *Minerals Separation*, a claim should be free from avoidable ambiguity or obscurity. As written, claim 5 claims a method for buying and printing digital postage stamps ...@ but, as the Examiner points out, presents no printing step in the body of the claim.

[124] Applicant in point (iii) above contends that although the step is implicit, the activity itself is explicit. With respect, based on the following reasoning we find this not to be the case.

[125] We believe we need only point to claim 9, which depends on claim 8 and by extension claim 5 to resolve this issue. Claim 9 adds the following limitation:

running the software module on the PC to generate and print one of the digital postage stamps in the digital book of postage stamps.

[126] We have earlier discussed the principle of claim differentiation and how the limitations of a dependent claim cannot be read into the independent claim to which it refers. Consistent with this principle, since claim 9 explicitly recites the step of running the module in order to generate and print the stamp, claim 5 is not so limited and therefore does not necessarily include any step of running the module and printing the postage stamp.

[127] This fact, we believe, makes claims 5-8, by the presence of the recitation of a method of printing in the preamble without

reciting any such step, avoidably ambiguous. While one would take claim 5 as not necessarily including a printing step by the principle of claim differentiation, one is also faced with the fact that there is an attempt to limit the scope of claim 5 by such an activity, a seemingly avoidable contradiction. There are a number of ways in which this could be rectified. For example, the Aprinting@ aspect could be removed from the preamble of claim 5 or the limitations of claim 9 could be added to claim 5. However, in view of our finding that the claims are also obvious, there would be no point in making such amendments.

[128] Accordingly, we find that claims 5-8 are indefinite and therefore non-compliant with subsection 27(4) of the *Patent Act*.

RECOMMENDATION OF THE BOARD

[129] In view of the above findings, the Board recommends that the rejection of the application be upheld on the basis of the following:

- (1) claims 1-42 would have been obvious in view of Canadian Application No. 2,266,644 to Kara and US Patent No. 5,655,023 to Cordery et al. and therefore non-compliant with section 28.3 of the *Patent Act*, and
- (2) claims 5-8 are indefinite and therefore non-compliant with subsection 27(4) of the *Patent Act*.

Stephen MacNeil	Mark Couture	Andrew Strong
Member	Member	Member

DECISION OF THE COMMISSIONER

[130] I concur with the Patent Appeal Board's findings and their recommendation that the rejection of the application be upheld on the basis of the following:

- (1) claims 1-42 would have been obvious in view of Canadian Application No. 2,266,644 to Kara and US Patent No. 5,655,023 to Cordery et al. and therefore non-compliant with section 28.3 of the *Patent Act*, and
- (2) claims 5-8 are indefinite and therefore non-compliant with subsection 27(4) of the *Patent Act*.

[131] 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.

Sylvain Laporte

Commissioner of Patents

Dated at Gatineau, Quebec,
this 3 day of January, 2012