

Commissioner's Decision # 1396

Décision du commissaire # 1396

TOPICS:

B00: Claims - Ambiguity or Indefiniteness (incomplete)

G00: Utility

SUJETS:

B00: Revendications - Caractère ambigu ou indéfini (incomplet)

G00: Utilité

Application No. : 2,385,395

Demande N^o : 2 385 395

IN THE CANADIAN PATENT OFFICE

DECISION OF THE COMMISSIONER OF PATENTS

Patent application number 2,385,395, having been rejected under subsection 30(3) of the *Patent Rules* [SOR/96-423], has subsequently been reviewed in accordance with paragraph 30(6)(c) of the *Patent Rules*. The recommendation of the Board and the decision of the Commissioner follow:

Applicant

MARKS & CLERK

Box 957, Station B

OTTAWA, Ontario

K1P 5S7

INTRODUCTION

- [1] This recommendation concerns a review of patent application no. 2,385,395, filed on September 19, 2000, claiming priority on a US application filed on September 24, 1999. The application is entitled “System and Method for Pairing Providers with Consumers of Online Goods and Services”. The applicant is In-Development, LLC.
- [2] The present application relates to an online system and method that pairs, or matches, users of a global communication network with providers of goods and services, utilizing a unique domain name request and linking service, and a system of comparing and matching users with providers of such goods and services, ultimately facilitating a business transaction between a user and a provider.
- [3] For the reasons that follow, we recommend that the claims be amended as proposed in the Applicant’s letter dated May 25, 2015, and that the application be thereafter allowed.

PROSECUTION HISTORY

- [4] On April 3, 2014 the Examiner wrote a Final Action pursuant to subsection 30(4) of the *Patent Rules*. The Final Action stated that the application was defective on the following grounds:
- claims 1 and 24 fail to comply with subsection 27(4) of the *Patent Act* for being indefinite (failing to define the subject matter in clear terms); and
 - claims 1 and 24 fail to comply with section 2 of the *Patent Act* for comprising subject matter that lacks utility in that it is inoperative; more specifically, the claimed subject matter lacks a critical feature, without which it will not operate to realize the promise of the invention.

- [5] In a response to the Final Action, dated October 3, 2014, the Applicant presented written arguments regarding the defects noted in the Final Action.
- [6] As the Examiner considered the application not to comply with *Patent Act*, pursuant to subsection 30(6) of the *Patent Rules* the application was forwarded to the Patent Appeal Board [“the Board”] for review on December 24, 2014, along with a Summary of Reasons [“SOR”], which maintained the grounds set out in the Final Action.
- [7] In a letter from the Board dated February 25, 2015, the Applicant was forwarded a copy of the SOR and was provided an opportunity for a hearing and an opportunity to provide written submissions in response to the SOR. In a response dated May 25, 2015, the Applicant declined the opportunity for a hearing, but provided written submissions.
- [8] In the May 25, 2015 letter the Applicant reiterated its previous arguments, and proposed amendments to claims 1 and 24 for the Board’s consideration if the Board were to disagree with the Applicant’s position.

ISSUES

- [9] The issues for determination are as follows:

- Are claims 1 and 24 indefinite?
- Do claims 1 and 24 lack utility (operability)?

LEGAL PRINCIPLES AND OFFICE PRACTICE

Construction

- [10] In accordance with *Free World Trust*, 2000 SCC 66 [*Free World Trust*] essential elements are identified through a purposive construction of the claims done by

considering the whole of the disclosure, including the specification and drawings (see also *Whirlpool Corp v Camco Inc*, 2000 SCC 67 at paras 49(f) and (g) and 52). In accordance with the Manual of Patent Office Practice [MOPOP] Chapter 13.05 (June 2015), the first step of purposive claim construction is to identify the person skilled in the art and their relevant common general knowledge. The next step is to identify the problem addressed by the inventors and the solution put forth in the application. Essential elements can then be identified as those required to achieve the disclosed solution as claimed.

Claims Indefiniteness

[11] Subsection 27(4) of the *Patent Act* states:

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.

[12] In *Minerals Separation North American Corp v Noranda Mines Ltd*, [1947] Ex CR 306, 12 CPR 99 at 146, [“*Minerals Separation*”], the Court emphasized the obligation an applicant has to make clear in his claims the ambit of the monopoly sought and the requirement for terms used in the claims to be clear and precise:

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 he 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.

Utility

[13] The statutory basis for the utility requirement is section 2 of the *Patent Act*, which reads:

“invention” means any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter; [emphasis added]

[14] The utility requirement was described by the Supreme Court of Canada in *Consolboard Inc v MacMillan Bloedel (Saskatchewan) Ltd*, [1981] SCR 504, at p. 525:

There is a helpful discussion in Halsbury’s Laws of England, (3rd ed.), vol. 29, at p. 59, on the meaning of ‘not useful’ in patent law. It means “that the invention will not work, either in the sense that it will not operate at all or, more broadly, that it will not do what the specification promises that it will do”. [emphasis added]

[15] In *Pfizer Canada Inc v Apotex Inc* (2014), 125 CPR (4th) 81, the Federal Court of Appeal discussed the effect that promises made in a specification have on the threshold of utility that must be met for compliance with section 2 of the Act:

[64] ... the threshold that must be proven to establish utility is **generally** quite low, described as being no more than a “scintilla of utility” (*Olanzapine* 405 N.R. 1).

[65] The promise doctrine represents an **exception** to the above minimum statutory requirements. Though an inventor need not describe any particular utility for the invention, an inventor who explicitly promises a specific result will be held to that promise when called upon to prove utility (*Plavix FCA* 447 N.R. 313 at paras. 48 and 49). That the invention may well have satisfied the scintilla threshold is of no assistance in establishing utility where a promise, if it be made, cannot be met (*Plavix FCA* 447 N.R. 313 at para. 54). [emphasis added]

[16] In *Wellcome Foundation Ltd v Apotex Inc* (1995), 60 CPR (3d) 135, at p. 154, the Federal Court of Appeal stated that the determination of the promised utility of a patent was an exercise in construction:

Since the utility of a patent must ultimately be judged against its promise, the exercise requires that the specification be carefully construed to determine exactly what that promise is.

ANALYSIS

[17] Claim 1 reads:

A method comprising:

maintaining a database of personal information relating to a consumer, the database included in a server system associated with a plurality of domain names and the personal information including a list of preferences identified by the consumer or based on prior selections by the consumer;

receiving a request initiated by a consumer and transmitted over a global communication network to the server system associated with the plurality of domain names, wherein the request includes one of the plurality of domain names, and wherein each of the domain names includes a common domain name element and an identification of a subject of the request;

identifying at least one provider in response to the received request, based upon the received request and the personal information relating to the consumer in the database;

forwarding information regarding each identified provider from the system to the consumer, wherein the consumer is subsequently capable of choosing a provider from each identified provider to communicate and, optionally, transact business therewith; and

updating the personal information based on the consumer choosing an identified provider, wherein the updated personal information is accessible by the server system for use in connection with a subsequent request initiated by the consumer that includes a different one of the plurality of domain names, with the domain name included in the subsequent request including an identification of the subject of the subsequent request.

[18] Claim 24 reads:

A system comprising:

a database operable to store personal information relating to a consumer, the database included in a server system associated with a plurality of domain names and the personal information including a list of preferences identified by the consumer or based on prior selections by the consumer;

a server operable to receive a request initiated by a consumer and transmitted over a global communication network to the server system associated with the plurality of domain names, wherein the request includes one of the plurality of domain names, and wherein each of the domain names includes a common domain name element and an identification of a subject of the request, said server further comprising:

a name linking module operable to identify at least one provider in response to the received request, based upon the received request and the personal information stored in the database relating to the consumer; and

a controller operable to forward information regarding each identified provider to the consumer, wherein the consumer is subsequently capable of choosing a provider from each identified provider to communicate and, optionally, complete a business transaction therewith; and

wherein the server is further operable to update the personal information based on the consumer choosing an identified provider, wherein the updated personal

information is accessible by the server for use in connection with a subsequent request initiated by the consumer that includes a different one of the plurality of domain names, with the domain name included in the subsequent request including an identification of the subject of the subsequent request.

Construction

The person skilled in the art and the common general knowledge of this person

- [19] The person skilled in the art is a designer of electronic commerce systems. The common general knowledge of this person includes knowledge of conventional e-commerce systems, tools and methods.

The problem and solution

- [20] Problems associated with previously known systems are described in the “Description of Background and Related Art” section of the description, from p. 1, line 22 to p. 3, line 9:

To date, an online consumer or potential consumer of goods or services has either already determined his or her source of such goods or services, and therefore just visited the web page or e-commerce presence of such source, or has attempted to locate reputable and reliable sources of the desired good or service employing meta search engines and the like. The former approach has been unduly complicated due to the fact that, despite the almost ubiquitous use of universal resource locators (URLs) in advertising and promotional materials, known sources of goods or services are not always located at the ".com" version of their famous marks or names. In other words, for example, going to "unitedairlines.com" might not always produce the desired result, since, for a variety of reasons, United Airlines' online presence might actually be located at "united-airlines.com", "united_airlines.com", "unitedairlines.net", "ua.com", or the like. After several attempts, one discovers that the site is actually located at "ual.com". Additionally, even once the correct URL is determined, the web

presences for many well-known sources for traditional goods and services are little more than online advertisements, often lacking true e-commerce functions (i.e. online sales) capability. Accordingly, reliance on this method of identifying online sources of desired goods and services is limited at best.

The latter approach, using search engines and the like to locate sources of goods and services, is practically useless to would-be consumers due to the imprecise and voluminous nature of results produced by same. For example, a recent search for "airline reservations" on the popular meta search engine DogPile(R) (www.dogpile.com) produced 27,976 results ("hits"). Not only does such an example illustrate the overwhelming volume of information produced in response to virtually any search request, but a quick, more detailed, review of the first 20 or so hits (purportedly ranked in order of "relevance" to the search request) revealed that a number of such "relevant" hits were not sources of such services, but were actually mere uses of one or both of the key words of the search request within other, unrelated contexts. Moreover, even where a potential consumer is successful in locating a source from search results produced by a search engine, the reputation and reliability of such source is often unclear. Accordingly, use of meta search engines in an attempt to locate desired goods and services online is as often frustrating as it is ultimately unsuccessful.

Even assuming proper identification and location of a desired provider is ultimately achieved by a consumer, consummation of one or more business transactions between a consumer and a provider is often unnecessarily complicated, sometimes to the point that the proposed transaction is precluded altogether, due, at least in part, to unfamiliar functionality or appearance of the provider's site or the current requirement that basic information needed to complete a business transaction (e.g., payment instructions, delivery and shipping information, purchase preferences) must be repeatedly and manually provided by the consumer at each provider site. It is estimated that, currently, up to 40% of potential online transactions are ultimately not completed due to interactivity problems encountered by the consumer at the provider's site. Moreover, existing automated search systems capable of simply locating providers of goods and services (e.g., Sherlock(TM) from Apple Corp.) do not

also provide a consumer with comparative pricing and availability or other comparative information regarding such goods and services. As an example, it is of little value to know that companies A, B & C offer limousine service in Manhattan. What is much more valuable to a potential consumer of such services is to immediately know that companies A & C, but not company B, have limousines available for the time period the consumer desires, and that company A offers that service at a lower price than company C. [emphasis added]

[21] In the same section, from p. 3, line 10 to p. 4, line 13, the Applicant describes the needs for a new system and method to overcome the noted problems:

The foregoing dilemma provides an opportunity for a unique system and method to serve as an intelligent intermediary between the consumers and the providers of online goods and services. To address this opportunity, **there is a need for a system and method that, in response to an extremely simple and intuitive user request, can: (1) intelligently select and identify one or more, and preferably several, reputable and reliable providers of desired goods and services from which a potential consumer may choose one or more particular providers; and (2) provide the potential consumer with comparative pricing and availability (and, if needed other) information about the identified providers' goods and services** so as to facilitate a fully-informed decision by the potential consumer as to which one or more providers with whom they desire to transact business.

In addition, **there is often a need for a potential consumer to be informed regarding providers of logically-related goods and services.** For example, a consumer of hotel reservations in Los Angeles will also likely have a need for providers of: rental cars; directions in Los Angeles; airline reservations, and the like.

There is also the need for such a system to include a common database of information regarding each consumer. Such a database would operate to eliminate repeated and manual provision of basic information required to complete online transactions. **There is further a need** for a system and method

that provides a variety of other useful, ancillary features to the primary service of pairing online consumers and providers of goods and services, such as a feature that maintains the privacy of a consumer while they are communicating with the providers and a feature which selectively and confidentially shares personal information (e.g., credit card account information) of the consumer with an approved provider to facilitate the desired online transaction. Here again, a common database could facilitate the provision of such ancillary services.

Such a system would ideally operate not only with existing computer and telecommunications devices (e.g., pagers, hand-held personal communication devices), but also with future Internet-capable devices (e.g., vehicle-based telematic devices) for accessing a global communications network, providing a consistent and familiar interactive experience with a consumer regardless of how, and through what communication means, the system was accessed. The system would also ideally accommodate and interact with global positioning system-based applications, traditional and biometric security devices and voice activation/recognition and audio response systems. As more greatly detailed below, **the foregoing and other needs are satisfied by the system and method of the present invention.** [emphasis added]

- [22] The solution proposed by the application to address the noted problems with existing systems and methods, and to meet the needs of a new system and method, is a system and method using the following components: a common database; a name request system and name linking policy; a selection and pairing system; an intelligent referral system; and a selective information sharing and information protection system (description p. 4, line 30 to p. 5, line 2).

The essential elements of the claims

- [23] Having considered the above-noted problems and needs that the Applicant sought to address with the claimed invention, the skilled person would determine the essential elements of method claim 1 to be the series of steps recited in the claim. That is,

removing any of the recited steps would have a material effect on the working of the method, such that it would not address the problems and needs described in the specification.

[24] For the same reasoning, the skilled person would determine the essential elements of system claim 24 to be the group of elements recited in the claim.

[25] We note that the above determination of essentiality applies to only those elements that appear in the claims. As for the feature identified by the Examiner as critical to the operability of the invention, which feature does not appear in the claims, we will consider this when assessing the question of utility.

Claims Indefiniteness

[26] The Final Action states that because claims 1 and 24 make no mention of a way to identify the user, it is unclear how the system is able to obtain user preferences from the database. However, having reviewed the specification, we are of the view that the claims comply with subsection 27(4) of the Act because they are framed in language that is specific and distinct, such that the skilled person will be able to determine whether what he proposes to do will infringe or not, consistent with the quotation from *Minerals Separation* cited earlier.

Utility

[27] The Final Action states, at p. 3:

As above, the claims do not describe how a user is identified. That identification is required in order to make a database query, and to obtain the user preferences. Without describing how a user is identified, or at least that the system somehow does this, then the system is unable to function as intended. [emphasis added]

[28] The response to the Final Action argues in reply, at pp 4-5:

Applicant emphasizes that Applicant does not take the position that user identification is unnecessary in practice. However, Applicant submits that not every step or element that is required in practice needs be recited in the claims. In particular, the Applicant submits that explicit recitation of identification of a user or how to identify a user is not required to define the present invention. Moreover, the applicant submits that the absence of the recitation of a specific step from a claim does not mean that such a step is to be excluded.

...

In response, the Applicant submits that the claims have utility because not every part of a system that is necessary for that system to function need be recited in the claims. For example, consider a claim directed to a new type of computer (for example an optically based computer) that uses an electrical power cord for connection to an electrical outlet. Applicant submits that it would be absurd to conclude the claim is invalid (lacks utility) for omitting recitation of an electrical power cord. It would be absurd because (i) it is not necessary to define the new type of computer; and (ii) it is clear to any person ordinarily skilled in the art how to construct the computer with an electrical power cord. [emphasis in original]

[29] The Summary of Reasons addresses this argument at p. 3, stating that the claimed step of “maintaining a database” necessarily implies to the skilled person the inclusion in the claim of all aspects associated with maintaining a database, including a power cord, but that the step of identifying provider preferences for a user cannot be implied from any of the other claimed features, and it cannot fairly be read into the claim.

[30] In this case we construe the specification as promising a particular level of utility, and accordingly it is this threshold to which the claims must be compared. As noted above, the description states that one of the needs for a new system is a common database of information regarding each consumer, which would operate to eliminate repeated and

manual provision of basic information required to complete online transactions. The description states, further on, “the foregoing and other needs are satisfied by the system and method of the present invention.” Thus, this functionality, or utility—which the Applicant implies in its response to the Final Action is necessary in practice—is promised by the specification, and therefore it must be provided by the claimed invention if the claims are to meet the utility requirement. And to provide this functionality the claims must include the feature of identifying the user.

[31] As the skilled person would understand that this feature is not explicitly or implicitly set forth in claims 1 and 24, these claims therefore lack utility as promised by the specification, and do not comply with section 2 of the *Patent Act*.

[32] While we consider that the claims as presented have at least a “scintilla” of utility—the description (p. 8, lines 13 to 29) teaches a “less preferred embodiment” of the system and method that excludes the feature of identifying the user, which system and method meets *some* of the needs enumerated in the “Description of Background and Related Art” noted above—we reiterate that this is not the threshold amount of utility that is required of a claim when the specification is construed, as the present specification has been construed, as promising a particular level of utility.

Proposed amendments to the claims

[33] Proposed claims 1 and 24, submitted in the Applicant’s May 25, 2015 letter, include the feature of identifying the user. As a result, the proposed claims overcome the lack of utility defect of claims 1 and 24 on file.

CONCLUSIONS

- [34] We have determined that claims 1 and 24 on file lack utility and do not comply with section 2 of the *Patent Act* for failing to recite sufficient features to achieve the utility promised in the specification.
- [35] We have also determined that claims 1 and 24 as proposed in the letter of May 25, 2015 overcome this defect and do not introduce any new defects. Replacement of claims 1 and 24 on file with claims 1 and 24 as proposed in the above-noted letter is thus a specific amendment that is necessary for compliance with the *Patent Act* and *Patent Rules*.

RECOMMENDATION OF THE PANEL

- [36] In view of the above, we recommend that the Applicant be notified, in accordance with subsection 30(6.3) of the *Patent Rules*, that the amendments proposed in the letter of May 25, 2015, namely the deletion of claims 1 and 24 on file and the insertion of proposed claims 1 and 24, are necessary for compliance with the *Patent Act* and *Patent Rules*.

Paul Fitzner

Member

Mark Couture

Liang Ji

Member

Member

DECISION OF THE COMMISSIONER

[37] I concur with the findings and recommendation of the Patent Appeal Board. In accordance with subsection 30(6.3) of the *Patent Rules*, I hereby notify the Applicant that the above amendments must be made within three (3) months of the date of this decision, failing which I intend to refuse the application.

[38] In accordance with paragraph 31(b) of the *Patent Rules*, the following amendments, and only these amendments, may be made to the application:

- i) delete claims 1 and 24 on file; and
- ii) insert claims 1 and 24 proposed in the letter of May 25, 2015.

Johanne Bélisle
Commissioner of Patents

Dated at Gatineau, Quebec,
this 28th day of April, 2016