

Commissioner's Decision #1452

Décision du commissaire #1452

TOPICS:   A11 New Matter  
              B00 Ambiguity or Indefiniteness  
              D00 Division  
              F00 Novelty  
              O00 Obviousness

SUJETS:    A11 Nouvelle matière  
              B00 Caractère ambigu ou indéfini  
              D00 Division  
              F00 Nouveauté  
              O00 Évidence

Application No: 2,819,055

Demande no: 2 819 055

IN THE CANADIAN PATENT OFFICE

DECISION OF THE COMMISSIONER OF PATENTS

Patent application number 2,819,055 having been rejected under subsection 30(3) of the *Patent Rules* (SOR/96-423), has consequently been reviewed in accordance with paragraph 30(6)(c) of the *Patent Rules*. The recommendation of the Board and the decision of the Commissioner are to refuse the application.

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## **INTRODUCTION**

- [1] This recommendation concerns the review of rejected Canadian patent application number 2,819,055 (“the instant application”), which is entitled “ELECTRONIC BILL PRESENTMENT AND PAYMENT SYSTEM AND METHOD” and is owned by JPMORGAN CHASE BANK, NA (“the Applicant”). A review of the rejected application has been conducted by the Patent Appeal Board (“the Board”) pursuant to paragraph 30(6)(c) of the *Patent Rules*. As explained in more detail below, our recommendation is that the Commissioner of Patents refuse the application.
- [2] This recommendation and Commissioner’s Decision are being released concurrently with the recommendation and Commissioner’s Decision for parent Canadian patent application no. 2,415,071, from which the instant application was divided.

## **BACKGROUND**

### **The Application**

- [3] The instant application was received in the Canadian Patent Office on June 5, 2013. It was initially accorded the filing date of parent application no. 2,415,071, namely June 27, 2001 and therefore accorded a laid open to the public date of January 10, 2002. However, as will be seen later, its status as a divisional application, and therefore its actual filing date, is at issue.
- [4] The instant application relates to an electronic bill presentment and payment (“EBPP”) system wherein a registered user of the billing system is notified, for example via email, of an upcoming bill payment due. The notification includes summary information which is formatted in a manner equivalent to a traditional remittance slip used to accompany payment of a bill in a traditional paper-based payment method. The notification provides the user with the option of printing the summary information formatted as a remittance slip and remitting this portion with payment via regular mail or activating an embedded

hyperlink that enables the user to access full billing information and effect electronic payment of the bill.

## **Prosecution History**

- [5] On July 29, 2015 a Final Action (“FA”) was written pursuant to subsection 30(4) of the *Patent Rules*. The FA stated that the instant application is defective on the grounds that: claims 1-37 on file at the time of the FA (“claims on file”) were anticipated by the parent application no. 2,415,071 (due to the view that it was not a proper divisional) and therefore non-compliant with paragraph 28.2(1)(a) of the *Patent Act*; that the claims on file would have been obvious and therefore non-compliant with section 28.3 of the *Patent Act*; that claims 7, 26, and 33 on file contained new subject-matter not reasonably inferred from the original specification or drawings and therefore were non-compliant with section 38.2 of the *Patent Act*; and that claims 31-33 on file lacked clarity and were therefore non-compliant with subsection 27(4) of the *Patent Act*.
- [6] In a January 28, 2016 response to the FA (“R-FA”), the Applicant proposed amendments to the claims on file, including the deletion of claims 7, 26, and 33, amendments to address the lack of clarity issue and some minor amendments to improve the language of the independent claims. The Applicant also submitted arguments in favor of the patentability of the claims.
- [7] As the Examiner considered the application not to comply with the *Patent Act* and *Patent Rules*, pursuant to paragraph 30(6)(c) of the *Patent Rules*, the application was forwarded to the Board for review on March 16, 2016 along with an explanation outlined in a Summary of Reasons (“SOR”). The SOR set out the position that the claims on file were still considered to be defective due to anticipation, obviousness, new subject-matter, and a lack of clarity and that the amendments proposed in the R-FA did not overcome these defects.

- [8] In a letter dated April 6, 2016, the Board forwarded to the Applicant a copy of the SOR and offered the Applicant the opportunity to make further submissions and/or attend an oral hearing.
- [9] In a written communication dated May 5, 2016, the Applicant requested that an oral hearing be scheduled and indicated that written submissions would be provided. The Applicant also indicated that it would be expedient to hold the hearing for the instant application and the parent application no. 2,415,071 at the same time.
- [10] The present panel (“the Panel”) was formed to review the instant application as well as the related parent application no. 2,415,071 under paragraph 30(6)(c) of the *Patent Rules*.
- [11] In a preliminary review letter (“PR letter”) dated October 19, 2017, the Panel set out its preliminary analysis of the issues with respect to the claims on file as well as the proposed claims submitted with the R-FA. In light of the Applicant’s suggestion of one hearing to address both the instant application and the parent application no. 2,415,071, the Panel also proposed a single oral hearing date that would address both reviews.
- [12] Written submissions in response to the PR letter (“R-PR”) were provided on November 15, 2017 by the Applicant in advance of the oral hearing. The submissions included proposed claims 1-34 (“proposed claims”) as well as arguments in favor of the patentability of the claims on file as well as the proposed claims.
- [13] An oral hearing was held via teleconference on November 29, 2017.

## ISSUES

- [14] The issues to be addressed by the present review, in order of appearance below, are whether:

- Claims 31-33 on file lack clarity;

- Claims 7, 26, and 33 on file contain impermissible new matter;
- The instant application is a proper divisional application of parent application no. 2,415,071;
- Claims 1-37 on file are anticipated by the parent application, in light of the assessment of divisional status; and
- Claims 1-37 would have been obvious.

[15] If the claims on file are considered defective, we may turn to the proposed claims 1-34 and consider whether they constitute amendments necessary for compliance with the Act and Rules.

## **LEGAL PRINCIPLES AND OFFICE PRACTICE**

### **Claim Construction**

[16] In accordance with *Free World Trust v Électro Santé Inc.*, 2000 SCC 66, 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 paragraphs 49(f) and (g) and 52). In accordance with the *Manual of Patent Office Practice*, §13.05 (revised June 2015), the first step of purposive claim construction is to identify the person skilled in the art and their relevant common general knowledge (“CGK”). 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.

### **Claim Clarity/Indefiniteness**

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

(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.

[18] In *Minerals Separation North American Corp. v Noranda Mines Ltd.*, [1947] Ex CR 306, 12 CPR 99 at 146, the Court emphasized the obligation of an applicant to make clear in the claims the ambit of the monopoly sought and the requirement that the terms used in the claims 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.

### **Introduction of New Matter**

[19] Subsection 38.2(2) of the *Patent Act* provides that:

(2) The specification may not be amended to describe matter not reasonably to be inferred from the specification or drawings as originally filed, except in so far as it is admitted in the specification that the matter is prior art with respect to the application.

[20] The question of whether an amendment adds new matter to the specification is assessed from the standpoint of the person skilled in the art, who necessarily possesses the CGK in the relevant art, and requires a comparison of the pending specification with the one originally filed: see *Re Uni-Charm Corp.* (2013), 119 CPR (4th) 462, CD No 1353, and the Commissioner's Decision cited therein. There is no need to find an explicit reference to the matter in the originally filed specification: an inference of its presence is sufficient to conclude that the amendment complies with the regulation.

## Improper Divisional Status

[21] Subsection 36(2) of the *Patent Act* sets out the conditions under which a patent application may be accorded divisional status:

(2) Where an application (the “original application”) describes more than one invention, the applicant may limit the claims to one invention only, and any other invention disclosed may be made the subject of a divisional application, if the divisional application is filed before the issue of a patent on the original application.

[22] From the above, in order for an application to have divisional status, its claims must be directed to an “other invention” than that of the claims of the original application, with any such other invention having also been described in the original application. As specified in *MOPOP*, §14.13 (revised November 2013), “[t]he content of the specification and drawings of the purported divisional application are compared to that of the original application to determine if the claims of the divisional application are directed to a different invention than the claims of the parent.”

## Anticipation/Lack of Novelty

[23] Paragraph 28.2(1)(a) of the *Patent Act* sets out the requirement that the subject-matter of a claim must be novel in view of a disclosure by the applicant itself:

**28.2** (1) The subject-matter defined by a claim in an application for a patent in Canada (the “pending application”) must not have been disclosed

(a) 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 subject-matter became available to the public in Canada or elsewhere.

[24] There are two separate requirements in order to show that a prior art document anticipates a claimed invention: a prior disclosure of the claimed subject-matter; and the prior disclosure must enable the claimed subject-matter to be practised by a person skilled in the



art (*Apotex Inc. v Sanofi Synthelabo Canada Inc.*, 2008 SCC 61 [*Sanofi*] at paragraphs 24-29).

[25] “Prior disclosure” means that the prior art must disclose subject-matter which, if performed, would necessarily result in infringement of the patent. The person skilled in the art looking at the disclosure is “taken to be trying to understand what the author of the description [in the prior patent] meant” (paragraph 32). At this stage, there is no room for trial and error or experimentation by the skilled person. The prior art is simply read “for the purposes of understanding it”: see *Sanofi*, at paragraph 25, citing *Synthon B.V. v SmithKline Beecham plc*, [2006] 1 All ER 685, [2005] UKHL 59.

[26] “Enablement” means that the person skilled in the art would have been able to perform the invention without undue burden. The person skilled in the art is assumed to be willing to make trial and error experiments to get it to work: *Sanofi*, at paragraphs 26-27.

## Obviousness

[27] The *Patent Act* requires that the subject matter of a claim not be obvious to a person skilled in the art. Section 28.3 of the *Patent Act* provides:

**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.

[28] In *Sanofi* at paragraph 67, the Supreme Court of Canada stated that it is useful in an obviousness inquiry to use the following four-step approach:

- (1) (a) Identify the notional “person skilled in the art”;
- (b) Identify the relevant common general knowledge of that person;
- (2) Identify the inventive concept of the claim in question or if that cannot readily be done, construe 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?

## ANALYSIS

### Claim Construction

[29] In the R-PR, the Applicant appeared to disagree with the level of CGK attributed to the skilled person by the Panel, but did not provide any details as to the points that were in dispute. At the hearing it was clarified by the Applicant that the dispute was not with the content of the CGK set out by the Panel, but instead with how this CGK was combined with the prior art to arrive at the conclusion that the claims on file would have been obvious, something that will be dealt with later in this recommendation as part of step 4 of the *Sanofi* four-step approach. In light of this clarification, the person skilled in the art and the relevant CGK are set out below as they were in the PR letter.

#### *The person skilled in the art*

[30] In the PR letter, the person skilled in the art was characterized as being:

a team collectively skilled in the art of electronic bill presentment and payment (“EBPP”) and familiar with generally related financial transactions and IT system infrastructure.

*The relevant common general knowledge*

[31] In the PR letter, the relevant CGK was set out as including:

- Knowledge of traditional bill payment process and systems that include:
  - The provision of a summary bill often printed on a detachable remittance stub that is intended to be returned with a cheque, with the bill containing summary information comprising:
    - The amount due
    - The due date for payment
    - A customer account number
    - A statement issuer (e.g., biller) name and address
  - The provision of a pre-addressed return envelope
  - A detailed invoice of charges
  - Marketing materials
  - Payments typically made by writing a cheque, placing the cheque and the remittance stub in the pre-addressed envelope, sealing the envelope, applying a postage stamp and sending the payment to the biller
- Knowledge of EBPP systems that allow a biller to present a customer with an electronic version of a bill, whether it is a scan of a paper version or a specifically formatted electronic version
- Knowledge of the provision of bills in electronic form to a computer or other display device via email or via access to a website requiring customer authentication, which authentication may be in the form of a user id and password
- Knowledge of the reception and processing of bill payments whether in traditional paper or electronic form and the associated infrastructure
- Knowledge of the use of electronic bill payment service bureaus that allow customers to pay bills via a home computer or telephone. Such bureaus receive payment from customers and forward these payments to a biller either individually or collectively
- Knowledge of the use of Automated Clearing Houses (“ACHs”) that are authorized by customers to deduct amounts from a customer’s bank account that are due to a biller
- Knowledge of the use of a centralized payment network where participating customers can pay bills to participating billers by transmitting a pay order to their bank. The bank then submits a pay message to a payment network and the customer’s account is debited while the biller’s bank account is credited
- Knowledge of the use of public and secret key encryption in electronic transactions over networks

- Knowledge of the use of centralized EBPP systems that act as intermediaries between billers and customers. The systems can collect bills on behalf of a customer and communicate them to the customer for payment
- Knowledge of the scepticism of some customers with the use of EBPP systems due to a perceived lack of control over payment processes
- Knowledge of the diversity of customer IT systems, which can create issues for both billers and customers in payment presentation and payment
- Knowledge of the lack of flexibility to make a payment in the traditional paper-based manner when billing is provided by EBPP systems.

### *Essential Elements*

[32] With respect to the determination of essential/non-essential elements and the meaning of terms in the claims, as we stated in the PR letter:

In the present case, there are no issues on the record of any debate as to the meaning of any terms in the claims, nor does the Panel see any issues in that regard. The Panel has not undertaken a detailed construction of the individual claims since as shown below, even considering all the features of the claims on file, the Panel's preliminary view is that all of claims 1-37 on file would have been anticipated and obvious. The outcome in this case would therefore not be affected by the omission of any non-essential elements.

### **Claim Clarity/Indefiniteness**

[33] In the PR letter, we set out our preliminary view that claims 31-33 on file are indefinite:

Claims 31-33 do refer to "[t]he method of claim ...", whereas the preceding claims they refer to are directed to a system. In this manner, the claim category of claims 31-33 on file (i.e., method) is inconsistent with the claims to which they refer (i.e., system) and therefore creates uncertainty as to the claimed subject-matter. As such, it is our preliminary view that claims 31-33 on file are indefinite and therefore non-compliant with subsection 27(4) of the *Patent Act*.

[34] However, our analysis in the PR letter proceeded on the assumption that this defect would be rectified if the claims on file were found to be otherwise patentable.

[35] In the R-PR, the Applicant did not dispute our preliminary view, instead proposing amendments to address the defect.

[36] In light of the above, we conclude that claims 31-33 on file are indefinite and therefore non-compliant with subsection 27(4) of the *Patent Act*.

### **Introduction of New Matter**

[37] In the PR letter we set out our preliminary view that claims 7, 26 and 33 on file do not contain impermissible new matter:

The FA indicated that the additional features of dependent claims 7, 26, and 33 as amended by the Applicant on May 19, 2015 contain matter not reasonably to be inferred from the original specification or drawings. In particular, these claims specify that:

the remittance slip comprises a blank remittance amount field to be filled in by the payer to indicate the amount of the at least one bill that is being paid when the remittance slip is mailed with the payment of the at least one bill.

While the FA indicated agreement that such features would have been part of the common body of knowledge of the person skilled in the art (i.e., CGK), it also indicated that not all points of the CGK are inferable from a particular patent specification.

We agree that subsection 38.2(2) of the Act provides for amendment of a patent application to include matter reasonably to be inferred from the original specification or drawings, which matter does not include all the relevant CGK of the person skilled in the art.

However, in the present case we note that at page 7, lines 26-28 of the instant application as filed, it is specified that “[t]he summary level information included in the e-mail notification 25 is formatted in the same manner as a remittance slip in a traditional paper-based invoice” and includes “at least the biller’s name, statement date, minimum amount due and total amount due.”

We agree with the statement in the FA that the inclusion of a blank remittance amount field in a traditional remittance slip would have been part of the relevant CGK of the person skilled in the art. Therefore, given that the specification as originally filed set out the summary information included in the remittance slip as part of the electronic notification to a payer as being “formatted in the same manner as a remittance slip in a traditional paper-

based invoice”, the person skilled in the art would, in our preliminary view, infer the inclusion of a blank remittance amount field in the remittance slip provided to a payer as part of the disclosed subject-matter. As such, it is our preliminary view that claims 7, 26 and 33 on file are compliant with subsection 38.2(2) of the *Patent Act*.

[38] The Applicant made no submissions on this point.

[39] In light of the above, we conclude that claims 7, 26 and 33 on file do not contain impermissible new matter and are therefore compliant with subsection 38.2(2) of the *Patent Act*.

### **Improper Divisional Status**

[40] In the PR letter we set out our preliminary view that the instant application is not a proper divisional of parent application no. 2,415,071. We set out a table comparing claim 1 on file of the instant application with claim 16 on file of the parent, since these claims are directed to the same category of invention and therefore more directly comparable. As a result of the comparison we stated:

In our preliminary view, there are only two possible differences between the subject-matter of the claims compared above, as emphasized in the table. The first is that the parent application specifies the use of “mobile devices” as a specific example of “user device” to which billing data is sent. This feature was also emphasized by the Applicant as a difference between the two applications as part of the submissions in the R-FA at page 4. In our preliminary view, the omission of specific mention of a mobile device in the instant application does not constitute an “other invention” that is entitled to divisional status. In our view the omission does not significantly change the scope of claim 1 of the instant application in comparison with claim 16 of the parent since the term “user devices” in both cases would include mobile devices.

The second possible difference is that the parent application specifies that a user is notified via email of the option to register as a user for the billing service. In our preliminary view, the omission of this feature does not cause the subject-matter of claim 1 of the divisional to constitute an “other invention” as its omission effectively results in claim 1 of the divisional being broader than the comparable claim 16 of the parent application. In this case, the omission does not create a claim that is patentably distinct from the parent such that an “other invention” is present. Inherent in maintaining a

billing database of payer accounts is a pre-established relationship between the biller and payer, such as the email offer and registration specified in claim 16 of the parent application.

Further, having reviewed the subject-matter of the other claims of both the instant application and the divisional, it is our preliminary view that while there may be differences in the language used to describe certain features, there are no differences that would lead to the conclusion that the instant application is an “other invention” than that of the parent. While the Applicant pointed to the feature of claim 4 “loading bulk billing data containing all the detailed billing information for a period of time from the at least one biller” as distinguishing the instant application from the parent, both the instant and the parent application include claims specifying that the website providing access to the billing database may be provided by a third party service provider (e.g., claim 4 on file of the instant application versus claim 24 on file of the parent application). In our view, the person skilled in the art would take it to be inherent in such billing systems that if a third party service provider is to provide billing information to a customer for a specific billing period, they would necessarily need to obtain the bulk billing data for that period from the biller in order to provide notice to a customer as part of the service provider’s functions.

In light of the above, it is our preliminary view that the instant application is not entitled to divisional status. Given this view, the instant application is not entitled to be allocated the filing date of the parent application and its filing date therefore becomes the actual date that the application was received by the Patent Office, that date being June 5, 2013.

[41] In the R-PR, the Applicant chose not to address the claim comparison above and indicated that it may be addressed at the hearing. However, at the hearing in response to a question from the Panel as to how the instant application is directed to an “other invention” than that of the parent, the Applicant focused mainly on the content of the proposed claims, making reference only to the claims on file by referring to the authentication process in the parent application. In that process, after registering as a user of the EBPP system and activating the hyperlink embedded in the email billing notification, a user must then be authenticated before being presented with a full billing statement and the ability to initiate electronic payment.

[42] In our view, as reproduced above from the PR letter, the omission of the above limitation from the instant application effectively creates a broader claim than that of the parent that in our view does not create a patentably distinct claim. The registration and authentication

of users in an EBPP system was part of the relevant CGK of the person skilled in the art and therefore its presence in the claims of the parent would not patentably distinguish its subject-matter from that of the divisional.

- [43] In light of the above, we conclude that the instant application is not a proper divisional of application no. 2,415,071 and is therefore not entitled to divisional status in accordance with subsection 36(2) of the *Patent Act*. As a result, the actual filing date of the instant application becomes the date it was received in the Canadian Patent Office, namely June 5, 2013. This conclusion is not, in and of itself, a defect in the instant application, but the allocation of a later filing date does mean that application no. 2,415,071 becomes applicable prior art under paragraph 28.2(1)(a) of the *Patent Act*, as discussed below.

### **Anticipation/Novelty**

- [44] Given the conclusion above with respect to the divisional status of the instant application, as we stated in the PR letter:

With the parent application being open to public inspection in accordance with section 10 of the *Patent Act* on January 10, 2002, the parent application becomes applicable prior art under paragraph 28.2(1)(a) of the *Patent Act*.

There being no new matter introduced in the instant application, as determined above, and the instant application and the parent being directed to the same invention, the parent application completely discloses and enables the subject-matter of claims 1-37 on file. Claims 1-37 on file therefore lack novelty in view of the parent application and are non-compliant with paragraph 28.2(1)(a) of the *Patent Act*.

- [45] We therefore conclude that claims 1-37 lack novelty and are therefore non-compliant with paragraph 28.2(1)(a) of the *Patent Act*.

### **Obviousness**

*(1)(a) Identify the notional “person skilled in the art”*

- [46] The person skilled in the art has been set out above under Claim Construction at paragraph [30].



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

[47] The relevant CGK has also been identified above under Claim Construction at paragraph [31].

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

[48] In the PR letter, the Panel stated with respect to the inventive concepts of the claims on file that in the present case we have taken into account all the features of the claims in the assessment of obviousness:

For the purpose of the assessment under obviousness in the present case we have taken into account all the features of the claims on file. As noted above in relation to Claim Construction, even starting from this point, our preliminary view is that the claims on file would have been obvious. Therefore, the result of the assessment would not be affected by the identification of an inventive concept that may be something less than all the claimed features. We note that at step 3 of the *Sanofi* assessment in the FA of the instant application as well as that of the parent, all features of the claims were considered in assessing the differences between them and the state of the art.

[49] This view was not disputed by the Applicant and we therefore apply it in our analysis.

[50] Claim 1 on file was taken by the Panel to be representative of the claims on file and is reproduced below for ease of reference:

1. A method for effectuating bill presentment and payment comprising:
  - maintaining a billing database, the billing database containing detailed billing information with respect to at least one bill, the at least one bill reflecting an account of at least one payer with respect to at least one biller;
  - generating an electronic summary of the at least one bill using the detailed billing information;
  - generating a remittance slip containing remittance data as is found in a traditional paper based bill, wherein the step of generating the remittance slip

further makes the remittance slip printable for use in a traditional method of payment of the at least one bill by the at least one payer;

generating an electronic notification with respect to the at least one bill, the electronic notification containing an address through which the billing database is accessed;

transmitting the electronic notification to the at least one payer;

the step of transmitting enabling a user device to present to the at least one payer an electronically-selectable option such that the payer can interactively elect (a) paying the at least one bill electronically or (b) printing the printable remittance slip and mailing the remittance slip with a payment of the at least one bill; and

if the payer selects to pay the at least one bill electronically, causing an electronic payment for the at least one bill to be initiated, and if the payer selects to pay the at least one bill in the traditional method of payment, making the remittance slip available for printing.

*(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*

[51] In the PR letter, with respect to the state of the art, we stated that:

In the FA three pieces of prior art were applied, of which only the following document is applied in our obviousness analysis:

D1:	CA 2,275,211	Power	June 18, 1998
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In the FA, the differences between the state of the art and the claims were assessed in view of prior art document D1. We agree that D1 best represents the state of the art and use it in our assessment below.

D1 discloses an EBPP system, in particular a secure interactive electronic statement delivery system suitable for use on open networks such as the internet. Although D1 is primarily focussed on the security of communications in relation to bill presentment and payment, D1 also discloses an overall bill presentment and payment process and system.

D1 discloses a process by which a customer may register with a biller to receive electronic bills (figure 7A and page 14, line 28 to page 16, line 25 of D1). Figure 8 of D1 illustrates a process by which a biller may send a bill or other account statement to a customer. When a billing date occurs, summary and detailed billing data are generated and sent to customers by email (page 16, line 26 to page 17, line 6 of D1). The email includes summary bill data as well as optionally activated links for accessing detailed billing data, for accessing advertising materials and for initiating electronic payment of the bill (page 17, lines 7-9 of D1).

As disclosed at page 18, lines 11-13:

[i]f a customer does not activate any of the options, bill delivery is completed at block 808. The customer may print out the bill, or leave it stored on the computer. The customer may pay the bill by mail or by electronic means.

Like the summary bill data, the detailed bill data may contain links to advertising materials and/or to an electronic bill payment process or system (page 19, lines 10-11 of D1).

Activation of advertising links brings the customer to an advertiser's webpage. Activation of electronic payment links initiates an electronic payment process that may or may not be provided by the customer's certified bank.

Figure 10 of D1 illustrates an example of a summary bill that includes information such as biller name, customer account number, customer name and address, listing of charges, explanation of charges, return address for biller and customer service information. Customer service information includes the biller's customer service telephone number, email address and a URL that can be used to contact the biller. As disclosed at page 23, lines 14-16 of D1:

[t]he summary information, contained in the summary bill information area 1010 corresponds generally to the information that would be contained on the remittance stub of a mailed, paper bill.

A "Print" button is disclosed in Figure 10 as part of the summary bill, which when activated, causes a hard copy of the summary bill to be produced (page 23, lines 29-30 of D1).

[52] After considering the FA and the Applicant's submissions in the R-FA, we were of the preliminary view that the only difference between representative independent claim 1 and the state of the art represented by D1 was:

- The summary information is specifically formatted in the form of a remittance slip.

[53] In the R-PR, although the submissions focused mainly on the proposed claims, the Applicant contended that prior art document D1 teaches away from any kind of traditional paper-based payment system in which a remittance slip is used, and instead focuses on a purely electronic EBPP system. At the hearing the Applicant contended that D1 is strictly related to such an EBPP system. In particular, in the R-PR, the Applicant asserted that, with respect to the subject-matter of claim 1 on file (and the proposed claims, which are discussed later):

- D1 does not suggest use of a remittance slip because D1 is directed to an EBPP system; and
- D1 does not show a summarized bill in the form of a remittance slip.

[54] While we agree that the focus of prior art document D1 is on providing an EBPP system, in our view, as set out in the PR letter and restated above, D1 does disclose the use of a summarized bill that is provided to a customer, a summarized bill that is generally in the form of a remittance slip used in a traditional paper-based payment method.

[55] With respect to the two bulleted points above, in the PR letter, we pointed to the relevant passages in D1 that characterize the information provided in the summarized bill as that which “corresponds generally to the information that would be 20 contained on the remittance stub of a mailed, paper bill” (page 23, lines 14-16 of D1). We acknowledged that, as shown by the difference between independent claim 1 on file and D1 as set out above from the PR letter, D1 does not explicitly disclose that the summarized bill is formatted as a traditional remittance slip.

[56] At the hearing the Applicant’s attention was drawn to Figure 10 of D1 which, as set out in the PR letter illustrates an example of the summarized bill provided by the system of D1. The summarized bill includes a “PRINT” button to print the summary for paper-based payment. Also included is “Send Payment to:” information containing the mailing address to which payment may be sent, information which would not be necessary if the D1 system was strictly related to the provision of an EBPP system.

[57] In light of the above, it is our view that the difference between the subject-matter of claim 1 on file and that of the state of the art is the difference set out above from the PR letter.

[58] With respect to the dependent claims, as noted in the PR letter, the FA identified only one additional difference between the dependent claims and the prior art, which was not disputed by the Applicant in the R-FA or in the R-PR. We will consider it below at step 4.

*(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?*

[59] In the PR letter we set out our preliminary view that claim 1 on file would have been obvious:

In our preliminary view, formatting the summary bill information as a remittance slip within the context of an EBPP system would have been obvious to the person skilled in the art. Prior art document D1, which relates to an EBPP system, discloses as part of its discussion of the background art, traditional paper-based bill payment methods where a detachable remittance stub containing summary information is attached to a bill for the purpose of remitting payment to a biller, the payment being traditional by cheque.

Further, as noted above in step 3, in discussing the EBPP system proposed, D1 discloses the presentation of summary bill information that “corresponds generally to the information that would be contained on the remittance stub of a mailed, paper bill” (page 23, lines 14-16 of D1) and that may be printed. D1 also discloses that in response to reception of the bill in electronic form, “[t]he customer may print out the bill, or leave it stored on the computer. The customer may pay the bill by mail or by electronic means” (page 18, lines 12-13 of D1). In our view, these passages clearly suggest to the skilled person that D1 contemplates the option of traditional paper-based payment of a bill and if this route is chosen, the summary information provided to the customer in electronic form, when printed, may act as a traditional paper-based remittance slip. We also note that the summary information provided by the system of D1 and illustrated by Figure 10 is consistent with the information provided by a traditional remittance slip as set out above as part of the relevant CGK.

In light of the above it is our preliminary view that independent claim 1 on file would have been obvious in view of prior art document D1 and the relevant CGK.

In respect of independent method claims 21 and system claim 27 on file, it is our preliminary view that the subject-matter of these claims does not differ from that of claim 1 on file such that these claims would not have been obvious. While claim 21 does include more steps as part of the claimed method, these additions do not introduce any further differences with respect to prior art document D1. System claim 27, in our view, merely sets out the method of claim 1 in the context of a generic system in which it could be implemented.

- [60] The Applicant did not specifically respond to the reasons above in the R-PR or at the hearing, other than as part of the position that certain features of the claims were not disclosed by prior art document D1, which has already been dealt with under step 3.
- [61] The Applicant did contend in the R-PR that the Panel did not properly apply the judicial test for obviousness, stating that in assessing obviousness, both the conception and implementation of an invention must be considered in accordance with the principles presented in *Diversified Products Corp. v Tye-Sil Corp.* (1991), 35 CPR (3d) 350 (FCA). However, the Applicant did not elaborate on exactly how the Panel's assessment was inconsistent with these principles.
- [62] The Applicant clarified at the hearing that in its view, a central feature of the invention was in providing the option of paying by electronic means or by a traditional paper-based method in an EBPP system and that while they did not dispute the content of the CGK allocated to the person skilled in the art, they do dispute the combination of the CGK with prior art document D1 in order to arrive at a conclusion that such an invention would have been obvious.
- [63] With respect to the option of paying by electronic means or by the traditional paper-based method, as discussed at step 3, it is our view that this option was disclosed by D1, which is an electronic bill presentment and payment system as well.
- [64] With respect to the Panel's combination of the CGK with D1 to arrive at the invention, the Applicant did not provide any specific reasons as to why the manner in which the Panel combined the relevant CGK with D1 was improper. *Sanofi* at step 4 poses the question as to whether the differences identified at step 3 constitute steps that would have been obvious to the person skilled in the art, who possesses the relevant CGK. In our view, the slight differences between claim 1 on file and D1, discussed above, would have been self-evident to the person skilled in the art in light of their CGK. For example, the specific formatting of the summarized bill as a traditional remittance slip, while not explicitly set out in D1, nonetheless, in our view, would have been obvious, since even in a traditional

paper-based system, the exact formatting would vary from biller to biller. Further, even in the instant application, the Applicant has not provided an example of what is considered a traditional remittance slip format that might be used to compare with the prior art.

[65] In light of the above, we conclude that claim 1 on file, as well as the other independent claims 21 and 27 would have been obvious and therefore non-compliant with section 28.3 of the *Patent Act*.

[66] With respect to the dependent claims, in the PR letter we set out our preliminary view that these claims would have been obvious as well, stating:

In respect of the dependent claims, the FA identified the one difference set out at step 3, above.

It is our preliminary view that we agree with the FA that this difference would have constituted a step that would have been obvious to the person skilled in the art in view of D1 and the relevant CGK. As noted under Claim Construction, the relevant CGK includes “knowledge of the use of centralized EBPP systems that act as intermediaries between billers and customers. The systems can collect bills on behalf of a customer and communicate them to the customer for payment.” The person skilled in the art was therefore well aware of such a feature as a known option associated with EBPP systems, as well as its implications.

As the Applicant did not identify any other particular features of the dependent claims that were considered to render the claims unobvious, it is our preliminary view that the subject-matter of these claims would have been obvious as well.

[67] The Applicant did not respond to the Panel’s views on the obviousness of the dependent claims on file.

[68] We note however, that in the co-pending application no. 2,415,071, which was reviewed concurrently, the Applicant proposed the inclusion of features such as those of claims 4 and 19 on file in the instant application in the independent claims to overcome the obviousness defect. For completeness we note, as we have with respect to the parent application, that it was part of the CGK of the person skilled in the art that Billing Service Providers may provide billing services for a biller, rather than the biller providing bills

directly to a customer. We also note that the particular “traditional” information that may be included on the remittance slip specified in the claims on file was also part of the CGK and is set out as such at page 7, line 26 to page 8, line 2 of the instant application, a point noted by the Panel at the hearing and acknowledged by the Applicant. In our view, the inclusion of such features, being commonly known options in an EBPP system, would not overcome the obviousness defect of the claims on file.

[69] In light of the above, we conclude that the dependent claims on file would also have been obvious and therefore non-compliant with section 28.3 of the *Patent Act*.

#### Conclusions on Obviousness of Claims on File

[70] Having considered the record before us including the Applicant’s submissions in the R-PR and at the hearing, we conclude that claims 1-37 on file would have been obvious and therefore non-compliant with section 28.3 of the *Patent Act*.

#### *Proposed Claims*

[71] In the R-PR, the Applicant submitted proposed claims 1-34. The proposed claims overcome the indefiniteness defect under subsection 27(4) of the *Patent Act*. The proposed claims also remove the dependent claims on file directed to the embodiment where the remittance slip includes a blank field to be filled by a payer to indicate the amount paid. As noted above, the removal of these claims is not necessary given that we have concluded that such claims do not introduce new subject-matter.

[72] In light of our determination above that the instant application is not a proper divisional, proposed claims 1-34 would also lack novelty in view of Canadian patent application no. 2,415,071.



[73] With respect to obviousness, the proposed claims differ from those on file mainly by minor changes to the claim language, such as by specifying that electronic notification of a bill is sent to a “user terminal” rather than to a user. However, in our view such a feature was inherent in the specification of the electronic notification in the claims on file.

[74] In the R-PR, the Applicant focussed on an exemplary inventive feature of proposed claim 1, namely the feature of generating a remittance slip containing data as is found in a traditional paper based bill, which remittance slip may be printed and used in a traditional paper-based payment method. However, this feature was already present in the claims on file and therefore has been taken into account in our analysis.

[75] In light of the above, we also conclude that proposed claims 1-34 do not overcome the obviousness defect.

[76] In summary, the introduction of proposed claims 1-34 does not constitute a specific amendment that is “necessary” pursuant to subsection 30(6.3) of the *Patent Rules*.

## CONCLUSIONS

[77] We have determined that:

- Claims 31-33 on file are indefinite and are therefore non-compliant with subsection 27(4) of the *Patent Act*;
- Claims 7, 26 and 33 on file do not contain impermissible new matter and are therefore compliant with subsection 38.2(2) of the *Patent Act*;
- The instant application is not a proper divisional of application no. 2,415,071 and is therefore not entitled to divisional status in accordance with subsection 36(2) of the *Patent Act*;
- Claims 1-37 lack novelty and are therefore non-compliant with paragraph 28.2(1)(a) of the *Patent Act*; and

- Claims 1-37 on file would have been obvious and therefore non-compliant with section 28.3 of the *Patent Act*.

[78] We have further determined that proposed claims 1-34 do not overcome the defects of lack of novelty and obviousness of the claims on file and therefore the introduction of these claims does not constitute a specific amendment that is “necessary” pursuant to subsection 30(6.3) of the *Patent Rules*.

### **RECOMMENDATION OF THE BOARD**

[79] In view of the above, the Panel recommends that the application be refused on the grounds that:

- Claims 1-37 on file lack novelty and are therefore non-compliant with paragraph 28.2(1)(a) of the *Patent Act*; and
- Claims 1-37 on file would have been obvious and therefore non-compliant with section 28.3 of the *Patent Act*.

[80] Further, proposed claims 1-34 do not overcome the above noted defects and therefore the introduction of these claims does not constitute a specific amendment that is “necessary” pursuant to subsection 30(6.3) of the *Patent Rules*.

Stephen MacNeil  
Member

Leigh Matheson  
Member

Lewis Robart  
Member

**DECISION**

[81] I concur with the conclusions and recommendation of the Patent Appeal Board that the application be refused on the grounds that:

- Claims 1-37 on file lack novelty and are therefore non-compliant with paragraph 28.2(1)(a) of the *Patent Act*; and
- Claims 1-37 on file would have been obvious and therefore non-compliant with section 28.3 of the *Patent Act*.

[82] Therefore, in accordance with section 40 of the *Patent Act*, 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.

Johanne Bélisle  
Commissioner of Patents

Dated at Gatineau, Quebec,  
this 10<sup>th</sup> day of May, 2018