

0181192

PATENTS ACT 1977

IN THE MATTER OF

Patent Application No 8806610.5

in the name of Noel David Samaan

DECISION

Application no 8806610.5, entitled "A Novel Use of Credit Cards with a Reusable Phone Card in a Coin-Free Cardphone", was filed on 21 March 1988, without claiming any earlier priority date, by Noel David Samaan in his own name. In an Official letter dated 5 April 1991 setting out the first report under section 18(3) of the Patents Act 1977 ("the Act"), the examiner objected *inter alia* that the claims of the application, which was unamended, were not in an acceptable form because they were not drafted in terms of the technical features of the invention. With his letter of response dated 2 August 1991 and received by the Patent Office on 5 August, the applicant filed amended description, claims and figures so as, in his words, to make a number of revisions in order to clarify the text of the application and bring out the invention more clearly. In the next Official letter of 16 September 1991, the examiner objected that the amended claims and title of the application introduced fresh matter, contrary to section 76 of the Act.

The applicant's response to this Official letter was filed by Mr O John Orchard of the firm of John Orchard & Co, European Patent Attorneys and Chartered Patent Agents, which had now been instructed to act on his behalf. This response took the form of a letter dated 14 January 1992 contesting the examiner's objection under section 76 and contending that no matter had been added that extended the specification beyond the original disclosure. In a further Official letter dated 4 March 1992, the examiner restated the objection under section 76, adding that the amended claims were not supported by the originally filed description as required by section 14(5). The agent maintained his position in his letter of reply dated and filed on 5 May 1992, but also attached an additional claim for consideration. He indicated too that if it should appear that it was not possible to resolve the matter by informal discussions by telephone or at a personal interview, it would be appreciated if a hearing

could be appointed. It was subsequently agreed in a telephone conversation between the agent and the examiner on 10 June 1992 that a hearing should indeed be appointed.

In an Official letter dated 3 July 1992, the examiner summarised her position, as had been requested by the agent in a letter of 18 June 1992, so that the basis for the hearing was clear. On 21 July 1992, the day before that appointed for the hearing, the agent faxed additional claims to the examiner for use at the hearing. The matter duly came before me at a hearing on 22 July 1992, at which Mr Orchard appeared as agent for the applicant and the examiner in the case also attended.

It is convenient that I should now give a brief outline of the technical content of the application. However, as the issues which I must determine turn on what is disclosed by the application, I should perhaps make clear that in giving this outline I do so without anticipating or prejudicing the substantive decision I shall come to later. That said, the application as filed appears from its title to relate to a novel use of credit cards with a reusable telephone card ("phone card") in a coin-free card-operated telephone ("cardphone"). As the particular embodiment is described, the objective is to allow a user of a phone card to increase or "update" the credit value of the card by drawing on his or her credit card account, but without needing to use the credit card physically. This "update" operation is distinct from what is described as an "automatic update" of the credit value of the phone card, which refers to the reduction in value of the card which follows from its use for the payment of a telephone call. The necessary means for achieving the update is built into a cardphone apparatus so that it can do this, in addition to performing its usual function for oral communication in an apparently conventional way.

As described, in practice the user inserts the phone card into the conventional slot in the cardphone apparatus, the information it carries is automatically read by a reader, and the user can then, among other things, opt to update the credit value of the phone card. If, and only if, the user requests it is the update procedure initiated. This begins by the user dialling a three-digit number which connects them to their credit card company. They then dial their credit card number, followed by their secret personal code, and then the amount by which they wish to increase their phone card's credit value. After the normal checking procedures

for the credit card's ownership have been made, the existing credit value of the phone card is erased and a new credit value, equal to the sum of that erased and the amount of the requested increase, is written electronically on the card. Having completed the update procedure, it is again for the user to decide whether to make a telephone call, request a further update, or have the phone card ejected from the cardphone apparatus. The technical and financial arrangements for the transaction involved in the update procedure are said to be similar to those required to operate credit card payphones and automatic cash-point machines. The erasing from and writing on the card are achieved by an optical read/write head under appropriate control from a microprocessor.

The claims contained in the application on its filing date defined the invention in the following terms:

- "1. The implementation of the technique used to update the reusable phone cards' credit, (mentioned in the "update" and "automatic update" procedures).
2. The novel "logical" use of credit cards, (ACCESS, VISA, ... etc.), to charge the user for updating the reusable phone cards' credit. No physical use of these credit cards is required.
3. The provision of a coin-free cardphone, including claims 1 and 2, maintaining the features and advantages of the available cardphones. Thus, according to this invention, inspite of updating the reusable phone cards' credit, there is no need for a coin slot to be mounted on the available cardphones to charge the user."

The amended claims 1 to 6 filed by the applicant on 5 August 1991 to replace those originally filed read as follows:

- "1. Apparatus for use in enabling the value of credit encoded on a payment card to be increased, which apparatus includes means for reading the value of credit already encoded on the payment card, means for receiving a request via a central processing unit to enter a value by which the credit on the payment card is to be

increased, means for debiting an account via the central processing unit with the sum of money by which the value of the credit on the payment card is to be increased, means for adding, under the control of the central processing unit, the sum by which the account has been debited and by which the value of credit encoded on the payment card is to be increased to any value that is already encoded on the payment card, in order to produce a total to be encoded on the payment card, a store under the control of the central processing unit for storing the said total, means for erasing from the payment card the sum already encoded thereon and means for writing on to the payment card in an encoded form the said new total from the memory.

2. Apparatus as claimed in claim 1 including an optical read/write head connected to the central processing unit via an optical fibre, whereby the head is able to convey signals to and from a payment card associated therewith from and to, respectively, to central processing unit for use in reading a value on a payment card and increasing the value in accordance with the total in the store.

3. Apparatus as claimed in claim 2 including means for controlling the movement of the read/write head such that it is movable in micro steps along a sensing area of the payment card.

4. A method for use in enabling the value of credit encoded on a payment card to be increased, which method includes reading the value of credit already encoded on the payment card, receiving a request via a central processing unit to enter a value by which the credit on the payment card is to be increased, debiting an account via the central processing unit with the sum of money by which the value of the credit on the payment card is to be increased, adding, under the control of the central processing unit, the sum by which the account has been debited and by which the value of credit encoded on the payment card is to be increased to any value that is already encoded on the payment card, in order to produce a total to be encoded on the payment card, storing under the control of the central processing unit the said total, erasing from the payment card the sum already encoded thereon and writing on to the payment card in an encoded form the said new total from the memory.

5. Apparatus as claimed in claim 1 substantially as described herein with reference to the accompanying drawings.

6. A method as claimed in claim 4 substantially as described herein with reference to the accompanying drawings."

On the same date, an amended description, having a new title, and fresh figures were also filed. I think it is fair to say that most of the revisions these include are in the nature of clarifications and do not need to be recited here. One of the significant revisions, at least from the point of view of the examiner's objection under section 76, is to the title. The amended title reads:

"Method and Apparatus for Use in Updating the Credit Value of a Payment Card".

As to the amended figures, the significant revision seems to be that in figure 1 the legend "Reusable Phone Card" used in the original is replaced by "Reusable Phone Payment Card" in the amended figure.

Additional claim 7 filed by the agent on 5 May 1992 reads as follows:

"7. The implementation of a technique, for use in updating the credit of a reusable phone card, which includes the steps of inserting the card into a reader, and transmitting data on the card from the reader to a microprocessor, wherein the microprocessor controls the updating of the credit on the card by accessing a credit card facility, transmitting to the credit card facility information including the users identification code and the amount by which the credit on the card is to be increased, storing the new amount of the card's credit in a memory upon the receipt of authority from the credit card facility, erasing the existing credit on the card, and writing the new amount of the card's credit into the card."

Additional claims 8 to 11 were submitted by the agent by fax on 21 July 1992 for use at the hearing on the following day. They read as follows:

"8. Apparatus for use in enabling the value of credit encoded on a phone payment card to be increased, which apparatus includes means for reading the value of credit already encoded on the payment card, means for receiving a request made by dialling via a central processing unit to enter a value by which the credit on the payment card is to be increased, means for debiting an account via the central processing unit and a telephone or other data transmission network with the sum of money by which the value of the credit on the payment card is to be increased, means for adding, under the control of the central processing unit, the sum by which the account has been debited and by which the value of credit encoded on the payment card is to be increased to any value that is already encoded on the payment card, in order to produce a total to be encoded on the payment card, a memory under the control of the central processing unit for storing the said total, means for erasing from the payment card the sum already encoded thereon and means for writing on the payment card in an encoded form the said new total from the memory.

9. Apparatus as claimed in claim 8 forming a part of a coin-free cardphone.

10. The implementation of a technique, for use in updating the credit of a reusable phone card, which includes the steps of inserting the card into a reader, and transmitting data on the card from the reader to a microprocessor, wherein the microprocessor controls the updating of the credit on the card by accessing a credit card facility via a telephone or other data transmission network, transmitting to the credit card facility by dialling via the network information including the users identification code and the amount by which the credit on the card is to be increased, storing the new amount of the card's credit in a memory upon the receipt of authority from the credit card facility, erasing the existing credit on the card, and writing the new amount of the card's credit into the card.

11. The technique claimed in claim 10 including the step of inserting the card into a reader forming a part of a coin-free cardphone apparatus and dialling the information by means of a dial which forms a part of the cardphone apparatus."

The examiner has objected under section 76(2) that the application as amended includes matter which extends the disclosure beyond that of the application as filed. It is the examiner's view that the original teaching of the application, taking into account its entire contents when filed on 21 March 1992, was concerned solely with updating the credit value:

- (i) of a "phone card" (not a "payment card" which might or might not be a phone card),
- (ii) using coin-free "cardphone apparatus" (not some unspecified form of apparatus),
- (iii) the initiation of updating being by the card user making a request,
- (iv) the request being made by the user dialling an entry (on the cardphone apparatus).

Contending that all of these features were essential to the invention originally disclosed, and arguing that amended claim 1 and new claim 4 omit all these features and that new claim 7 omits features (ii), (iii) and (iv), the examiner objected that the amended claims add matter, contrary to section 76(2), and are not supported by the original description, as required by section 14(5). Claims 8 to 11, being submitted only the day before the hearing for use at it, were not considered by the examiner. Apart from the claims, she also objected that the amendments effected to the title and to figure 1 add matter.

It is clear from this summary of the amendments made and the examiner's objections that the issues before me focus rather more on the claims than on the remainder of the application.

I turn now to the relevant provisions of the Act and the interpretation placed on them by the authorities, with a view to establishing the principles I should apply to the details of the present case.

Amendment of an application for a patent is allowed under the Act subject to conditions prescribed in sub-section (2) of section 76 which reads:

"(2) No amendment of an application for a patent shall be allowed under section 17(3), 18(3) or 19(1) if it results in the application disclosing matter extending beyond that disclosed in the application as filed".

In considering section 76(2), I must also have regard to section 130(3) of the Act, which reads:

"(3) For the purposes of this Act matter shall be taken to have been disclosed in any relevant application within the meaning of section 5 above or in the specification of a patent if it was either claimed or disclosed (otherwise than by way of disclaimer or acknowledgement of prior art) in that application or specification".

The proper interpretation to be placed on these provisions has been considered in a number of judgments, several of which have been cited either by the agent or the examiner in the course of the proceedings in the present case. Two of the most recent cases formed the subjects of judgments in the Patents Court which were then upheld in the Court of Appeal. They are Southco Inc v Dzus Fastener Europe Ltd, Court of Appeal judgment to be reported and [1990] RPC 587, and A C Edwards Ltd v Acme Signs & Displays Ltd, [1992] RPC 131 and [1990] RPC 621. All four judgments were drawn to my attention by Mr Orchard, although at the hearing he chose not to highlight any particular passages from them, preferring instead to leave me to consider them in their entirety. Having done so most carefully, I think it appropriate that I should quote from them those passages which I have found to be of particular assistance.

Turning first to Southco, at page 615 Aldous J states that:

"If subsections (1) and (2) of section 76 are considered together, it is clear that prior to grant the width of the claims can be extended but not thereafter, and in neither case is it permissible to make any amendment which has the result of the application or

specification disclosing any matter which extends beyond that disclosed in the application as filed."

At page 616, having recited section 130(3), as I have done above, he continues:

"Thus for the purpose of ascertaining whether the matter disclosed in the specification extends beyond that in the specification as filed both the claims and the specification must be considered. Further such matter is to be taken to have been disclosed if it was claimed or otherwise disclosed.

There is no definition in the Act of what is meant by the word "matter" and I believe that this word is wide enough to cover both structural features of the mechanism and inventive concepts. Section 125 points to the claims being the part of the specification in which the invention is specified, whereas section 14 points to the specification as being the part which contains a description of the invention. Thus it is reasonable to look at the claims construed as part of the whole document to see what was the invention and generally to the specification for the way the invention can be performed."

In then commenting on the judgment of Falconer J in the earlier case of Raychem Ltd's Application [1986] RPC 547, to which I have not been independently referred, Aldous J says:

"His judgment is to the effect that, if the claim as proposed to be amended is read as a disclosure of the invention, then it discloses a materially different invention from that disclosed in the specification and claims of the application. Thus the matter, namely the invention which would have been disclosed after amendment, extended beyond that disclosed in the application."

Later on page 616, having considered another authority, Aldous J continues:

"It appears to me that when amendment has been made pre-grant it is not material whether that amendment has the effect of widening or narrowing the monopoly claimed. The Act contemplates that amendments to claims will be made and therefore the ambit of the claim will be altered. What the Act is seeking to prevent is a patentee altering his claims in such a way that they claim a different invention from that which is disclosed in the application. Thus, provided the invention in the amended claim is disclosed in the application when read as a whole, it will not offend against section 76."

Again, on page 618 he says:

"I believe that section 76 is there to prevent the patentee disclosing either by deletion or addition any inventive concept which was not disclosed before but not to prevent a patentee from claiming the same invention in a different way."

In his judgment in the Edwards case, Aldous J referred extensively to his earlier judgment in Southco, but in addition he found it necessary to consider the effect of section 130(3) in more depth. I think in the present case I need do no more than reflect what might be regarded as certain of his conclusions, as stated on page 642, namely:

"In my judgment, it would be right to read section 130(3) against that background and to take into account the different purpose of the claims and the specification. Thus the claims are a disclosure of the matter for which the applicant claims protection and the specification is a disclosure of the description of the invention. Both sections 14(5) and 130(3) use the word "matter" and I believe it right to construe section 130(3) as requiring the claims to be considered as a separate disclosure to that of the specification, but a disclosure of the matter for which protection is sought but not a description of the invention.

... Not everything within a claim is disclosed although it may fall within the ambit of the claim."

At page 644 he states in relation to the claims he was considering:

"Further, I do not believe that claim 1 as granted claims protection for a different inventive concept to that disclosed in the application. Claim 1 as granted is more limited than claim 1 in the application but the granted claim is supported by the description as required by section 14(5) of the Act. In my view, there has not been any extension of the disclosure."

Thus, so far as amended claims are concerned, the test being propounded seems to be that, whether they are broader or narrower than the originally-filed claims, section 76(2) will not be contravened if they are supported by the disclosure of the application as filed, as they will then be protecting materially the same inventive concept as the original claims.

These two recent cases establish I think the principles which I must follow in interpreting and applying section 76(2). It is clear that I shall need to begin by deciding what precisely is the disclosure of the originally filed application. However, before I do so, it is necessary to establish how I should construe that document. In this regard, Mr Orchard has referred to the judgment of the House of Lords in the case of Catnic Components Ltd and Another v Hill & Smith Ltd [1982] RPC 183 as laying down the approach to be adopted. The key passage of that judgment begins at page 242 and reads as follows:

"My Lords, a patent specification is a unilateral statement by the patentee, in words of his own choosing, addressed to those likely to have a practical interest in the subject of his invention (ie "skilled in the art"), by which he informs them what he claims to be the essential features of the new product or process for which the letters patent grant him a monopoly. It is those novel features only that he claims to be essential that constitute the so-called "pith and marrow" of the claim. A patent specification should be given a purposive construction rather than a purely literal one derived from applying to it the kind of meticulous verbal analysis in which lawyers are too often tempted by their training to indulge. The question in each case is: whether persons with practical knowledge and experience of the kind of work in which the invention was intended to be used, would understand that strict compliance

with a particular descriptive word or phrase appearing in a claim was intended by the patentee to be an essential requirement of the invention so that any variant would fall outside the monopoly claimed, even though it could have no material effect upon the way the invention worked.

The question, of course, does not arise where the variant would in fact have a material effect upon the way the invention worked. Nor does it arise unless at the date of publication of the specification it would be obvious to the informed reader that this was so. Where it is not obvious, in the light of then-existing knowledge, the reader is entitled to assume that the patentee thought at the time of the specification that he had good reason for limiting his monopoly so strictly and had intended to do so, even though subsequent work by him or others in the field of the invention might show the limitation to have been unnecessary. It is to be answered in the negative only when it would be apparent to any reader skilled in the art that a particular descriptive word or phrase used in a claim cannot have been intended by a patentee, who was also skilled in the art, to exclude minor variants which, to the knowledge of both him and the readers to whom the patent was addressed, could have no material effect upon the way in which the invention worked."

The application of a purposive construction is of course apparent in the Southco and Edwards cases. Indeed, as Mr Orchard has said, a strict interpretation of the subject matter disclosed in the application in the Edwards case was rejected by Aldous J on the basis that there were wider implicit disclosures which would be read into it by the skilled man. Although I have already quoted extensively from both cases, I would like to add a quotation from page 28 of the Court of Appeal judgment in Southco, where Purchas LJ states that:

"The approach to the construction of the claims and the specifications must be a purposive approach as opposed to a purely literal one and has been described earlier in this judgment."

These various judgments set out I believe the legal framework within which I must consider the facts of the present case. However, before I do so, I feel I should briefly comment on

the other authorities to which I have been referred. First, I understand that Mr Orchard informed the examiner the day before the hearing that he would wish to refer to the case of Mond Nickel Company Ltd's Application [1956] RPC 189. In fact he did not do so either at the hearing or in correspondence, so I think I need say no more than that I have borne in mind the threefold test for fair basis under the Patents Act 1949 which it laid down.

The examiner referred me to three further authorities on the question of added matter. In Protoned BV's Application [1983] FSR 110, the Patents Court held that the deletion of "compression" from the expression "mechanical compression spring" used in the claim was not allowable in that it added notionally to the body of the specification a whole range of springs not previously referred to. In commenting on this case at page 30 of the Court of Appeal judgment in the Southco case, Purchas LJ notes that:

"It is clear that a claim might extend the specification so as to introduce new subject matter merely by the exclusion of some **critical** feature otherwise limiting the ambit of the protection of the patent" (my emphasis).

In Garrod's Application [1968] RPC 314, which related to a record sleeve, the Patents Appeal Tribunal held that amendment of the claim to specify at least two flaps instead of three would give rise to a monopoly claim to a sleeve construction not disclosed by the unamended document, variation of the number of flaps being a substantial one giving the record sleeves a markedly different construction from that outlined by the original specification. In Glatt's Application [1983] RPC 122, the Patents Court refused to allow to go forward claims which omitted what was plain from the description to be an essential feature of the invention.

It seems to me to be important to note that in all three of these cases the feature it was proposed to exclude from the claim was, as Mr Orchard observed, one of substance, that is one material to the way the invention worked. As such, these judgments are in my respectful view consistent with the framework of principles I have already outlined.

Focusing now on the specifics of the present case, I need first to ascertain what is, in the eyes of the skilled addressee, disclosed both explicitly and implicitly in the application as originally filed. In this respect, I should note that the language of the application as filed does not lend itself to easy or precise interpretation. Indeed, Mr Orchard freely admitted at the hearing that it is a rather obscure document which is difficult to interpret. This can only make the decision as to what was disclosed in it harder to reach, though that is of course what I must do. However, it does perhaps also mean that particular caution needs to be exercised against attaching undue weight to isolated references of doubtful clarity. I should also add that, while recognising the purpose of the claims filed on the date of filing of the application in serving as the disclosure of the matter for which protection was sought, it is clear that those claims are so obscure in their scope and meaning and so lacking in technical features that they are not capable of fully doing so. It is clear that while I must give proper account to them, I must in the present circumstances rely too on the specification generally in this regard, as well as in regard to the disclosure of the description of the invention.

Mr Orchard's argument has consistently been that the skilled man would not construe the original application as being limited in its disclosure of the invention in the four ways (i) to (iv), which I listed earlier, as the examiner suggests. In doing so, he has drawn attention to the paragraph bridging pages 1 and 2 of the originally-filed description ("the bridging paragraph"), which reads:

"According to the present invention, there is provided a novel implementation for the use of credit cards to charge the user for updating his/her reusable phone cards' credit, (mentioned as "cards' credit" onwards). All integrated in a coin-free cardphone. This is based on updating the cards' credit with no need for a coin slot to be mounted on the available cardphones maintaining their features and advantages. Action of updating is via sliding an optical read/write head, in micro steps, aligned along a sensing area. Charging the user for his/her request to update the cards' credit is neither by using "cash-coins" nor by using the credit card physically. Instead, the invention provides a better configuration to facilitate the use of credit cards, (ACCESS, VISA, ... etc.), for charging the user through a software task under the control of the microprocessor unit. Thus, the user will not use the credit card

physically. Other software tasks carry out the necessary functions such as deducting units during a telephone call, (mentioned as "call" onwards), i.e. when using the reusable phone card normally, controlling the updating procedures, the micro-step sliding motion of the read/write head, and all other operations necessary yielding to an integrated functional system. The use of the current size of phone cards is vital while using major parts of the payphone mechanism available, is seen to be of great importance. Other basic hardware circuitry such as the memory unit, power supply, clock generator ... etc., necessary to complement the microprocessor unit in a microcomputer configuration are not shown as they are considered standard circuitry" (my emphasis).

I propose to consider each of the features (i) to (iv) in turn, referring as appropriate to the bridging paragraph, as well as to Mr Orchard's other arguments.

As regards feature (i), the passage I have emphasised in bold in the bridging paragraph is one which Mr Orchard argued especially supported the idea that the invention was not limited to application to, or the use of, phone cards, as opposed to payment cards in general. At the hearing, he suggested, as he had before, that it is the implementation of a technique for using credit card facilities (without physically using a credit card) to update the credit on a reusable card (which is not a credit card) which the applicant feels is his invention. Its application to phone cards is, he argues, simply a non-limiting example, and the skilled man would understand that the inventive concept was broader. He has also suggested that figure 2 and the description pertaining to it show the logical flow of the process which provides the essence of the inventive concept and that this is not limited to the use of phone cards.

Clearly these parts of the original application might, if taken in isolation, be open to a variety of interpretations. However, the examiner argued that they need to be read in context, and I find myself obliged to agree. Thus, the language of the whole of the originally filed application is directed to a method and apparatus in which the credit value of a phone card is updated. That not every sentence uses the words "phone card" can hardly be surprising or constitute in itself a sound basis for arguing that something broader was intended. Although I have read the bridging paragraph and figure 2 and its description especially

carefully, I do not believe they give the skilled reader the generalised disclosure that Mr Orchard contends. In saying this, I have taken into account his further argument that since the first sentence of the bridging paragraph refers to the provision of a novel implementation for updating phone cards' credit, the implementation is not limited to phone cards, "for" carrying its well-established meaning of "suitable for". In the context, I do not believe it affords the generalisation he seeks, since it does not amount to disclosure of application of the implementation other than to phone cards. Moreover, I can find not a single reference in the original application to "payment card"; every reference to the card to be used is to a "phone card", the term "cards' credit" being specifically defined as meaning "reusable phone cards' credit". Also, there are no generalising references to suggest that any other type of payment card may be used. On the contrary, in the bridging paragraph, it is said that "the use of the current size of phone cards is vital while using major parts of the payphone mechanism available, is seen to be of great importance", although I recognise that this sentence may be somewhat ambiguous.

Of course I must consider the disclosure of the original claims, as well as that of the specification more generally. In doing so, I note that independent claims 1 and 2 refer to "updating the reusable phone cards' credit"; they do not leave this aspect unspecified or use a more general phrase. In correspondence, Mr Orchard argued from claim 1 that the "update" and "automatic update" procedures referred to in this claim are explained as increasing or decreasing a card's credit, not a phone card's credit. I am not persuaded that this is a true reflection of the disclosure in respect of either procedure. Indeed, the reference in the claim to "automatic update" seems to me to reinforce, not weaken, the link with phone cards (and cardphone apparatus) since as defined in the specification the "automatic update" procedure occurs automatically after the end of a telephone call.

Having found no explicit disclosure of payment cards other than phone cards, I need of course to consider whether there is any implicit disclosure. I should here make the general observation, applicable to consideration of all the features (i) to (iv), that I have not had the benefit of seeing any relevant evidence on the matter of how the skilled man might read the original application. On the day before the hearing, Mr Orchard referred the examiner by telephone to an article entitled "The Electronic Purse" which appeared in the "IEE Review"

of June 1992, and he also referred to it at the hearing. However, in view of its publication date, to which I drew Mr Orchard's attention at the hearing, and I might say its content, it is not able to help in establishing what the skilled man would have understood to be the disclosure of the application as filed.

Mr Orchard's argument is I think in essence that the skilled man would have recognised an implicit disclosure that the invention was not limited by references to "phone card", and hence would have understood them to mean "payment card". Applying the criteria laid down in Catnic, I must ask first whether the use of an unspecified payment card (rather than a phone card) would materially affect the way the invention works. I believe the answer is "no", but with the proviso that the putative payment card could also be used to pay for a phone call. In that event of course the card would in effect be a phone card anyway, albeit one that could also be used for other transactions too; this would really make the answer to the question "yes", and would obviate the need to go further since no broader disclosure could be established. However, if I am wrong in this, and the answer is an unqualified "no", the second question arises - would the immaterial effect of the variant be obvious to the skilled reader of the application as filed? In the absence of evidence, this question is especially hard, but I think the answer is probably "yes". In that case, I would need to consider whether the skilled reader would have appreciated from the language of the application that strict compliance was not intended, and I feel driven to the conclusion that he would not. As I have said above, the application is so completely dominated by the expression "phone card" that I feel unable to conclude otherwise; it seems to me that the unwavering reference to phone cards would convince him that the applicant had specifically chosen to limit himself to them.

Thus, I have been able to find no disclosure, explicit or implicit, of the use of payment cards other than phone cards in the originally filed application.

Turning to feature (ii), I can find no explicit support for Mr Orchard's suggestion that cardphone apparatus is not essential to the invention as originally disclosed. The bridging paragraph on which he relies does not seem to me to provide it. Indeed, I note that in the bridging paragraph it is said the "implementation" for the use of credit cards for updating a

reusable phone card is "all integrated in a coin-free cardphone", which if anything implies the reverse. In relation to figure 2, from which he argued that the key process was not limited to application in cardphones, I note that the legends "call", "calculate" and "automatic update", for example, appear on the figure, and are used in relation to it on page 4, and clearly relate, from their definitions in the description, to operations involving telephone apparatus. Thus I do not accept that the figure in itself or as described demonstrates the invention to be divorced from cardphone apparatus as he suggests. Similarly, I do not believe that figure 1, when read in the context of the remainder of the application, provides disclosure of the invention applied outside cardphone apparatus.

Turning to the implicit disclosure of the original application in respect of feature (ii), I note immediately that original claims 1 and 2 did not contain any reference to cardphone apparatus, implying that the invention was not envisaged as being so limited. I am also aware that on pages 10 and 11, among others, some of the technical and financial aspects of the particular embodiment are admitted to be similar to those required to operate existing credit card payphones and automatic cash-point machines. Mr Orchard argued at the hearing that the skilled man would appreciate that only certain pieces of apparatus were essential, and that a complete cardphone apparatus was not. I agree that in respect of feature (ii) there are wider implicit disclosures and do not consider that the skilled reader would regard all the components of a conventional cardphone apparatus to be essential to the invention. What he would understand as essential are those elements of a cardphone apparatus which contribute to the updating of the phone card and which would not be capable of variation without materially affecting the way the invention works. In my view, these are in essence: a reader to read the information on the card, dialing means (or materially equivalent means as I shall explain later) for the user to enter data, data communication lines to the credit card facility, and means to erase from and write on the card. In addition to these features of a cardphone apparatus, the skilled reader would in my judgment recognise that the invention requires certain features not previously found in cardphone apparatus which uses reusable phone cards, namely means for debiting the credit card facility, means for calculating the new credit, and a modified microprocessor to control the overall operation.

As to feature (iii), it seems to me to be clear that the method envisaged in the application as filed required the user to initiate an "update" to the card's credit by making a request. At the top of page 3 it is quite explicit that "the "update" procedure is only initiated by the user on request to increase the cards' credit" (my emphasis). Each time the "update" (as distinct from the "automatic update") procedure is mentioned it is clear that it is initiated by the user, for example at the bottom of page 5 where it is stated that "the "update" procedure is increasing the cards' credit as requested by the user while the "automatic update" procedure is decreasing the cards' credit automatically at the end of a call". There is no contradiction, explicit or implicit, to this as far as I can judge; any variant would have a material effect on the way the invention worked.

Finally, feature (iv) concerns the manner of making the request. It is clear, for example from the bottom of page 7 of the original description, where the first stage of the update procedure is described, that in the particular embodiment the user dials an entry into the cardphone apparatus to initiate the request. There is no explicit disclosure that I can find to the contrary. As to the implicit disclosure on this point, there can be no doubt I think that the skilled man would not regard the reference to "dialling" as being limited, or intended to be limited, to the use of a "dial" when, for example, a keypad could, and almost certainly would, conventionally be substituted without requiring any modification of the invention whatever.

To summarise, on a proper purposive construction of the application as filed, giving appropriate consideration to the claims and to the specification generally, and taking careful account of the agent's arguments, I have found no disclosure, explicit or implicit, for the updating of the credit value of any card other than a phone card, or for doing so other than at the user's request effected by him or her making an entry on the apparatus by "dialling". I have, however, found implicit disclosure that only certain elements of a cardphone apparatus are essential to the invention.

Having considered what seems to me to be the disclosure of the application as filed, I now turn to the amended application. I think it convenient if I deal first with the amended claims, and turn later to the amendments made to the rest of the application. There are on the table

now amended claims 1 to 11 filed on different dates as I have set out above. It is not I think material when each was filed, other than of course that it was after the filing date of the application, and I shall therefore treat them equally, although I would make the observation that claims 8 to 11, having been filed as I have said only the day before the hearing and for use at it, were not susceptible to, or apparently intended for, close consideration by the examiner before the hearing.

As I have indicated above, and for the reasons I have discussed there, the test I believe I must now apply to the amended claims to determine whether they contravene section 76(2), as the examiner alleges, is one of whether or not they are supported by the original disclosure. I understand this to be essentially what the examiner meant in making her supplementary objection under section 14(5). Applying this test to the amended claims, and in the light of what I have found above to be the original disclosure of the essentials of the invention, I am persuaded that independent claims 1 and 4 do add matter: claim 1 omits the means and claim 4 the steps whereby the user initiates updating by dialling a request which is transmitted through data communication lines, all of which appear to be essential features of the originally disclosed invention. Both claims are also directed to increasing the credit encoded on a payment card, not a phone card as originally disclosed. Claims 2, 3, 5 and 6 are appendant to either claim 1 or claim 4 and do not fall for separate consideration in this respect. Independent claim 7 is limited to application to phone cards, but in the other respects suffers from the same omissions as claim 4, and so adds matter.

Independent claims 8 and 10, submitted as I have said by fax on the day before the hearing for use at it, seem to me rather more closely to set out the essentials of the originally disclosed inventive concept. Both claims have one area where in my view slightly greater specificity, or perhaps clarity, is needed to be sure to avoid contravening section 76(2): lines 4 and 5 of claim 8 and lines 8 and 9 of claim 10 do not make clear as they stand that it is the user who makes the request. In addition, line 4 of claim 8 does not make clear that the "means for receiving a request made by dialing" is in fact dialling means. Subject to these or equivalent revisions, I believe claims 8 and 10, and their respective appendant claims 9 and 11, would be acceptable at least insofar as they would not contravene section 76(2).

I turn now to the remainder of the application, amendments to which were filed on 5 August 1991. The examiner objected under section 76(2) to the amended version of figure 1 and to the amended title. As to the figure, Mr Orchard agreed in his letter of 5 May 1992 to the reinstatement of the original figure, so I need say no more on this point. As to the amended title, it seems to me that it is acceptable except in one respect, namely its reference to "payment card". It will be clear from what I have said earlier that I do not believe the skilled reader would have read the original disclosure as comprehending the application of the method and apparatus other than to phone cards, so the presence of the broader term in the new title adds matter. The omission from the new title of the reference to a coin-free cardphone is not material since it is my view, as I have said, that cardphone apparatus in its entirety is not essential to the invention.

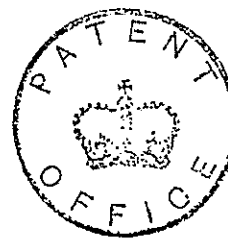
The amended description seems not on my reading to add matter, except to the extent that the definition of "cards' credit" on page 1 does not, but should, make clear that the expression "payment cards' credit", used in the amended description but not in the original, is another abbreviation for "reusable phone payment cards' credit". Clarification is needed to avoid the implication that the expressions "payment cards' credit" and "payment card" used in the amended description are not limited to phone cards, since such an implication would add matter for the reasons I have already explained.

In summary, having most carefully considered Mr Orchard's arguments within the appropriate framework of legal principles, I uphold the examiner's objection and find that the amended application discloses matter extending beyond that disclosed in the application as filed, and as such is not allowable under section 76(2). I therefore refuse to allow the application to proceed to grant in its present form. In so concluding, perhaps I should add that I have noted Mr Orchard's reference in correspondence to Swift's Application [1962] RPC 37 in support of a suggestion that the Comptroller should only refuse applications which were plainly without justification. However, even if I were to regard that authority concerning manner of new manufacture under the Patents Act 1949 as relevant, I do not believe the present case falls within that category.

The unextended period provided under section 20(1) for putting this application in order expires on 21 September 1992. However, in the present circumstances the provisions of section 20(2) apply, and I therefore allow the applicant six weeks from the date of this decision in which to submit amendments deleting the added matter. Although it is for the applicant to choose precisely how he words his application, it will I think be clear from the terms of my decision what I regard as the limits of the disclosure of the original application, and hence of any revised application if section 76(2) is not to be contravened. If satisfactory amendments are not filed within the specified period, then, subject to any appeal, the application will stand refused.

Since this is a substantive not a procedural matter, the time within which an appeal may be lodged is six weeks from the date of this decision.

Dated this 16 day of September 1992



S N DENNEHEY

Principal Examiner, acting for the Comptroller

THE PATENT OFFICE