

PATENTS ACT 1977

IN THE MATTER of an application
under Section 72 by Esselte Meto
International Produktions GmbH
for the revocation of Patent No 2166577
in the name of Gabriel Ordonez

INTERIM DECISION

Patent No 2166577 was granted on 2 June 1988 to Gabriel Ordonez ("the patentee") pursuant to Application No 8428088 filed on 7 November 1984.

On 9 November 1990 Esselte Meto International Produktions GmbH ("the applicants") applied for revocation of Patent No 2166577, initially on the grounds of lack of novelty or inventive step and, in relation to one claim, of incapability of industrial application. The patentee, initially acting on his own behalf, responded in a letter dated 28 May 1991, subsequently identified as a counter-statement, by making an offer to amend the specification of the patent. No opposition to the requested amendments was lodged. In an amended statement filed on 30 September 1991 the applicants alleged as grounds for revocation in relation to the amended claims:

1. that the invention so far as claimed in any of claims 1 to 11 is obvious and does not involve an inventive step having regard to the disclosure of German Patent Specification DE 3135028A ("Bizerba"), published on 7 April 1983 and received in the Science Reference Library on 18 April 1983, and to the disclosure of US Patent 4,002,886 ("Sundelin"), published on 11 January 1977 and received in the Science Reference Library on 26 January 1977;
2. that the invention so far as claimed in claim 8 is not capable of industrial application.

The patentee filed a letter dated 14 December 1991 which has been confirmed as a first supplementary counter-statement, and the pleadings were eventually completed, as recognised at the hearing, by a further supplementary counter-statement filed by the patentee on 15 September 1992. The last-mentioned document slightly modified the requested amendment and confirmed that all amendments were offered unconditionally.

The applicants' evidence consisted of two statutory declarations, dated 17 June 1992, and 4 December 1992, by Christopher George Escritt, describing himself as a professional engineer of some 30 years experience in fields including electronic price boards and modules, and electronic shelf edge pricing products and networks. Although Mr Escritt's address is given as Esselte House, neither declaration states specifically whether he has any relationship with the applicants. At the hearing it was confirmed that he is part of the Esselte organisation, though his position within the organisation has not been made clear. The two declarations were respectively accompanied by exhibits comprising United States Patent No 3997677 ("Hirsch") published on 14 December 1976, and UK Patent Application GB 2121598A ("Marconi") published on 21 December 1983.

The evidence of the patentee was his own statutory declaration dated 23 September 1992.

The matter came to a hearing before me on 4 May 1993, at which Dr M J Kaime, instructed by Evershed Wells & Hind, Nottingham, appeared as Counsel for the patentee and Mr Michael J Abrams of Haseltine Lake & Co appeared as patent agent for the applicants.

The patent in suit relates to a digital price ticket for the display of products on the shelves of a shop. The price ticket is described as a rectangular box containing LCD or LED displays, with a spike for insertion into the product, eg an apple, of which the price is to be displayed. The claims are as follows. The sole proposed amendment affecting the claims is the insertion of the passage indicated by underlining in claim 1.

1. An electronic price ticket for the display of prices on products including a digital display, means for altering the digital display, means for attaching the price ticket in close proximity to a product, the price of which is being displayed and

including means for displaying a description of the produce for sale and in which the price ticket is hermetically sealed.

2. A price ticket as claimed in Claim 1 including means for displaying the price of a specific quantity of the product.

3. A price ticket as claimed in Claim 1 or Claim 2, in which the price ticket is provided with a spike for insertion into the product to be sold.

4. A price ticket as claimed in any preceding claim including a digital display powered by a battery.

5. A price ticket as claimed in any one of Claims 1 to 3 including means for connecting an external DC voltage source to power the said display.

6. A price ticket as claimed in any preceding claim including means for illuminating the display continuously or for controlling the display to flash intermittently.

7. A price ticket as claimed in any preceding claim, in which the display contains two lines of text for the description of the product for sale, a first price display relating to a first quantity and a second price display relating to a second quantity.

8. A system for the display of prices in a shop including a plurality of price tickets as claimed in Claim 5 including control means for switching on and off one or more price tickets.

9. A system for the display of prices as claimed in Claim 8 in which such control means includes means for causing the price tickets to switch on and off in a controlled manner.

10. A system for the display of prices as claimed in Claim 8 or Claim 9 in which

the control means includes means for providing signals to one or more of the tickets to change the displayed details.

11. A price ticket for the display of prices constructed substantially as herein described with reference to the accompanying drawings.

In the body of the specification the amendments comprise an addition to a statement of invention corresponding exactly to that in claim 1, and the deletion of the word "preferably" from a sentence reading:

"The displays 14, 16 and 18 are enclosed within the box 10 which is [preferably] hermetically sealed and therefore the price ticket may be easily sterilised if required".

With the following sentence reading:

"The buttons 22, 24, 26, 28 and 30 may be plastic or rubber covered to produce the hermetic seal",

this is the only reference to hermetic sealing in the specification.

I will first consider the requested amendments. During the hearing there was some discussion of whether claim 1 as amended was supported by the passage I have quoted above, in particular in relation to whether there was any distinction of substance between the statement in the claim that "the price ticket is hermetically sealed" and that in the quoted passage that "the box 10" is [preferably] hermetically sealed" (my emphases). In this regard I would note that, as is clear from the remainder of the description and from figure 1 of the drawings, the box 10 contains all the display and electronic parts of the price ticket. It carries six buttons 20, 22, 24, 26, 28 and 30 used in the main embodiment to reset the digital displays, as well as a spike for insertion into the product. Despite the fact, not remarked upon at the hearing, that the list of buttons stated to be plastic or rubber covered excludes button 20, I have no doubt that the skilled reader, having been informed that the box 10 was hermetically sealed to permit sterilisation, would recognise that the button 20 must also have

been intended to be plastic or rubber covered, or otherwise sealed. I equally have no doubt that the same reader would without difficulty reconcile the statement in the specification that the box (and buttons) were hermetically sealed with that in amended claim 1 that the price ticket, which as defined includes the spike as well as the box and buttons, was hermetically sealed. On a purposive construction I am satisfied that claim 1 as amended covers the situation in which the material covering the box and buttons does not necessarily also cover the spike, as long as it seals to it in a way which permits sterilisation of the ticket as a whole. I am therefore also satisfied that claim 1 as amended is supported by the description and, by the same token, that the amendments requested neither result in the specification disclosing additional matter nor extend the protection conferred by the patent. They thus satisfy the requirements of section 76(3), but I will return later to the issue of their allowability under section 75.

I turn now to the main point at issue - whether claims 1 to 11 are obvious in the light of the two cited documents, Bizerba and Sundelin. It is convenient at this point briefly to summarise the disclosure of these two citations, both of which can I think fairly be described as relating to digital electronic price displays.

Bizerba, published some year-and-a-half before the filing date of the application for the patent in suit, discloses a price tag for the labelling of goods in which a liquid-crystal display unit is electronically remotely-controlled from a central unit, either by cable or by wireless transmission. It may be powered by current supply line or by a battery located in the tag. Several tags may be controlled from the same central unit, for example via distributor stations. The tag is illustrated as carrying up to three LCD displays, indicating for example text and weight or currency symbols in addition to a numerical display. It has a mounting device in the form of a simple stand for attachment at the display point, and alternative arrangements such as a clamp or a lug are mentioned.

Sundelin, published nearly eight years before the filing date of the patent in suit, discloses a remotely-addressed electronic price display unit linked to point-of-sale terminals which use product code readers, to ensure that the price displayed for each item on sale is identical to the price charged. A central computer controls the operation and the unit is attached to a

shelf bus, with power and control lines linking the various components. Each unit may display a range of information, including price, unit price and product code. As Dr Kaime pointed out, neither Sundelin nor Bizerba discloses hermetic sealing of the tags or units.

The applicants, through the evidence of Mr Escritt, identified as the only novel feature in the patent as amended, relative to the above-described prior art, that the price ticket is hermetically sealed. This was at no point disputed by the patentee, and it was equally accepted by both sides that the process of hermetic sealing as such was well-known at the filing date of the patent in suit (though as an aside I would observe that the two examples exhibited to Mr Escritt's two declarations, Hirsch and Marconi, and in particular the former, which relates to food packaging, do not in themselves strike me as especially illuminating examples of the process in relation to the issues before me). It is therefore clear that the main issue before me is the simply-stated one of whether, in November 1984, it would have been obvious to the person skilled in the art to have applied the well-known process of hermetic sealing to the established field of digital price tickets in order to facilitate sterilisation.

In my view in this case a key to determination of this issue is proper identification of the person skilled in the art. There are several authorities which address this general question, and I think it would be fair to say that one of the messages that emerges from them is that the degree of skill or knowledge to be expected of the skilled person will depend upon the complexity of the art in question.

At one level the art within which the present invention operates is very unsophisticated in technical terms, relating to price tickets. However, as Mr Abrams implied, a degree of technical sophistication is added by the fact that the specification is concerned with digital price tickets, involving the application of electronic elements and controls. In response to my direct question Dr Kaime stated the view that, in the context of the patent in suit, the skilled person would have had relevant knowledge of food regulations and hygiene as well as purchasing experience, all of which, I suppose, might be expected to be attributes of the average competent supermarket manager or corner shop greengrocer, butcher or fishmonger. He also conceded, however, recognising that the art to which this specification is addressed

embodies the added technical sophistication to which I have referred, that the relevant skilled person would additionally almost certainly have been aware of both Bizerba and Sundelin, and I find myself in agreement with him in this regard. I am also satisfied that a person possessing the necessary level of awareness of electronics would have had the general knowledge of hermetic sealing that was agreed by both parties to have prevailed at the relevant time, and in particular an awareness that it was common-place to seal electronic components hermetically.

The crucial dispute between the parties at this point, as expressed in the submissions of Mr Abrams and Dr Kaime, focuses on the object of the invention. I share with Mr Abrams some difficulty in identifying from the patent as amended exactly what problem is intended to be solved. This follows, I think, from the fact that the amendment has focused on a feature initially presented in the specification as being merely preferable. There is an early passage in the specification which states:

"Also if the cards [viz prior art price indicating cards to be inserted into plastic or metal frames] touch the food item on which they have been placed then they become contaminated with food and for hygiene reasons may not be transferable to a different food item without sterilisation. In a busy shop this may not be carried out adequately - especially if price changes are required during the day and this may result in the shopkeeper bring [sic] prosecuted for contravention of the hygiene regulations".

As I suggested to Dr Kaime at the hearing, this might be seen as suggesting that sterilisation was actually undesirable. Nevertheless, as Dr Kaime contended and Mr Abrams acknowledged, the passages from the specification which I have already quoted make it clear that the object of hermetic sealing is to enable the ticket to be sterilised.

It appears not to be in dispute that the general purpose of hermetic sealing of electronic components prior to the filing of the application for the patent in suit had been to protect the components themselves against contamination. Mr Escritt highlighted this in his second declaration, exhibiting Marconi, which is concerned with sealing optoelectronic packages, as illustrative of the point.

Mr Abrams referred me to the words of Lord Tomlin in British Celanese v Courtaulds [1935] RPC 171:

- "It is accepted as sound law that a mere placing side by side of old integers so that each performs its own proper function independently of any others is not a patentable combination, but that where the old integers when placed together have some working relation producing a new or improved result then there is patentable subject-matter in the idea of the working inter-relation brought about by the collocation of the integers".

Mr Abram's central argument on obviousness was essentially that there is no new or improved result and no unexpected advantage arising from the use of hermetic sealing. It entails merely the placing together of two old ideas, the first being the digital price ticket of the sort disclosed by Bizerba and Sundelin and the second being the well known technique of hermetic sealing.

Dr Kaime, on the other hand, argued that provision of hermetic sealing as a solution to the problem of how to provide hygienic sterile price display units is not obvious from the prior art - there may be reason to believe that the price display units disclosed should not contaminate food, he conceded, but it did not follow that the process of hermetic sealing was immediately and obviously suggested. Whilst allowing that hermetic sealing was a well-known technique to protect the interior of a container from external conditions, he contended that in the digital price ticket of the invention the process was employed for a different purpose, namely to allow the ticket to be effectively and completely sterilised with a sterilising solution, reducing substantially the risk of food contamination. Mr Abrams argued in turn that the need to avoid contamination was self-evident.

Dr Kaime referred at some length to Hickton's Patent Syndicate v Patents and Machine Improvements Company [1909] RPC 339 as authority for the proposition that even though hermetic sealing of itself was known if it was used for a new purpose it qualified as proper subject matter for a patent. He also took me through Mutoh Industry Limited's Application [1984] RPC 35 to support an argument that "if it was not obvious to have the idea of doing

a particular thing the mere fact that once you got the idea the actual way of putting it into effect might not require invention did not stop you having something that was perfectly patentable".

Whilst I acknowledge the relevance to determination of obviousness of the precedents cited by Dr Kaime it seems to me that the facts of this case correspond more closely with the situation identified in British Celanese v Courtaulds as the "mere placing side by side of old integers so that each performs its own proper function independently of any others", which was held by Lord Tomlin not to provide a patentable combination. The agreed advantage of hermetically sealing electronic components at the date of filing of the application for the patent in suit, namely to protect the components against contamination, could in my view without distortion equally well be expressed as being to isolate the components from the environment outside the package created by the sealing. This appears to me not critically different from the advantage gained in the present case, namely to permit sterilisation. What would presumably preclude the possibility of sterilisation in the absence of hermetic sealing would be the adverse effect of the sterilising medium on the continued operativeness of the unsealed price ticket, there being nothing to suggest that such a medium would be ineffective in sterilising an unsealed ticket. In other words, the electronic elements of the ticket would become contaminated. If there is a distinction, therefore, between the two alternative advantages of hermetic sealing, I regard it as too insubstantial to permit the conclusion that there is inventiveness in identifying the sterilisation advantage.

Dr Kaime did not seek to contend that invention lay solely in identification of the need for sterilisation, but I could not have accepted such a contention had it been made. As Mr Abrams argued, the need to avoid contamination where food is concerned must be regarded as having been self-evident at the pertinent time to the notional skilled man, who possessed at least the average greengrocer's, butcher's or fishmonger's awareness of such matters. I regard acknowledgement of this fact as implicit in the passages from the specification which I have quoted.

It follows that I find that claim 1 as amended lacks an inventive step in that it would have been obvious to a person skilled in the art at the filing date of the application for the patent

in suit, having regard to the cited prior art and to common general knowledge at that time. For the avoidance of doubt, since it is accepted by the patentee that the only novel feature in claim 1 relative to the cited prior art was the feature of hermetic sealing introduced by the amendment, claim 1 in its unamended form would fail for lack of novelty.

In addressing the amendments earlier in this decision I indicated that, having found that they did not contravene against section 76(3), I would return later to the issue of their allowability under section 75. It follows from my finding that the amended claim 1 lacks inventiveness, and from the fact that the amendments proposed elsewhere in the specification are consequent upon that proposed in claim 1, that I cannot exercise my discretion under section 75(1) to allow the specification of the patent to be amended in the manner proposed.

I must now turn to a consideration of the remaining claims, all of which are subject to challenge in relation to inventiveness.

I will deal first with the appendant claims 2 to 10. The applicants' contentions that the specific features referred to in certain of the appendant claims are expressly disclosed in one or both of Bizerba or Sundelin were neither denied in the patentee's pleadings nor contested at the hearing by Dr Kaime. This applies to claims 2, 4, 5, 8, 9 and 10. I am satisfied that the features of these claims are so disclosed and therefore that none of them adds anything patentable to claim 1. They therefore all fall with claim 1.

The applicants' allegation that claim 3, which refers to a spike for insertion into the product to be sold, added nothing inventive to claim 1 has not been contested on behalf of the patentee. I agree with the applicants, and therefore find that claim 3 falls with claim 1.

There was more disagreement about claim 6, which refers to means for illuminating the display continuously or for controlling the display to flash intermittently. While Mr Abrams acknowledged that neither of the two alternatives to which this claim relates are expressly disclosed in either Bizerba or Sundelin, he argued that the routine assumption on reading both documents would be that the displays were continuous. Dr Kaime did not challenge this point, and I agree that this is the clear implicit disclosure of both documents and therefore

that this part of claim 6 adds nothing patentable to claim 1. The claim in its present form therefore falls with claim 1. However, with regard to the second half of the claim, Dr Kaime was not entirely convinced by Mr Abrams' analogy between an intermittently flashing price ticket and the flashing advertising hoardings in Piccadilly Circus, and neither am I. No evidence has been adduced to show either that the man skilled in the art would, without invention, have applied the idea of the large-scale flashing hoarding to the small-scale price ticket, nor that flashing price tickets themselves were known at the filing date of the application for the patent in suit. I therefore find that the applicants have made an insufficient case to persuade me that a claim comprising claim 1 with the added feature of controlling the display to flash intermittently would lack inventiveness. I should perhaps observe at this point that I found the statement in Mr Ordonez's declaration that claim 9, which refers to causing the price tickets to switch on and off in a controlled manner, was related to intermittent flashing of the displays, to be confusing. Whatever the intention of the draftsman of claim 9, I am satisfied that the most natural reading of this claim does not require this feature, and therefore that my earlier finding of invalidity in relation to this claim is sound. I note that Dr Kaime did not attempt to pursue Mr Ordonez's contention in this regard.

In relation to claim 7, Mr Abrams drew my attention to figure 6 of Bizerba, which shows a tag with three separate displays, one identifying the product on a single line of text, a second giving the price, and a third identifying the price unit ("DM/Kg"). He argued that, relative to this, there can be nothing inventive in providing two lines of text nor in displaying respective first and second "quantities", as in claim 7. Dr Kaime did not seek to contest this argument, and I find it persuasive and therefore find that claim 7 falls with claim 1.

Before turning to the omnibus claim, I will deal with the applicants' allegation that claim 8 is not capable of industrial application. Mr Abrams' argument here was that since claim 9, which requires the switching on and off of the tickets to be in a controlled manner, was appendant to claim 8, it was a necessary implication that claim 8 included switching on and off in an uncontrolled manner. Thus far I can find no fault in his reasoning. He then argued, but as far as I can see without any supporting evidence, that such uncontrolled switching had no industrial application. Dr Kaime's only comment was that any difficulty

in this regard could be cured by amendment, and Mr Abrams concurred. I must observe that, on the strength of the evidence and arguments presented on behalf of the applicants, I see nothing to cure in this regard, the allegation of lack of industrial applicability in relation to claim 8 being wholly without foundation. I have, of course, already found that the claim falls for other reasons.

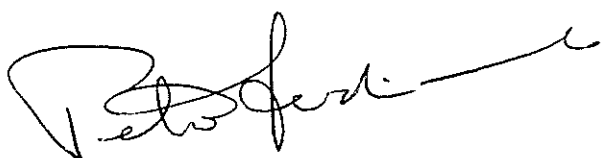
The last issue of substance for me to consider is the allegation of lack of inventiveness in the omnibus claim, claim 11. Mr Abrams agreed with me that, since Mr Escritt had not addressed this claim in his evidence, I was in effect faced by no more than an assertion that the claim lacked inventiveness. Dr Kaime observed correctly that silence in evidence did not amount to assertion of a positive matter, so the assertion in effect appears only in the applicants' pleadings. Figure 1 of the drawings of the patent in suit show the manual reset buttons 20 to 30, and Mr Abrams submitted that there was nothing inventive in using such buttons as distinct from the automatic arrangement disclosed in Bizerba. In the absence of support, Mr Abrams' implication must be that this is self-evidently true. I cannot accept that. It seems to me that the most marked difference between the patent in suit and both Bizerba and Sundelin is probably that, whereas the latter are both essentially concerned with systems involving remote control of the displays on the price tags, in the main embodiment of the patent in suit, illustrated in figure 1, the buttons 20 to 30 provide at least the option of local alteration of the displays. Particularly in the absence of evidence, I am satisfied that I cannot find claim 11 to lack inventiveness relative to Bizerba.

To summarise, then, I have found, in support of the applicants' allegations, that the invention as claimed in claim 1 as sought to be amended and in claims 2-5 and 7-10 is obvious and does not involve an inventive step having regard to the disclosure of Bizerba and/or Sundelin. I have found that in part claim 6 also falls for the same reason, but that the applicants have failed to establish their case in relation to this claim in so far as it refers to controlling the display to flash intermittently. Claim 1 in unamended form lacks novelty. I have found no substance in the allegation of lack of industrial applicability in relation to claim 8, though this claim falls for lack of inventiveness. Finally, I have found that the allegation of lack of inventiveness in relation to claim 11 fails.

It follows from these findings that, although I find the patent unsustainable either in its present form or as sought to be amended in the patentee's pleadings, and that I must therefore proceed towards revocation of the patent if it remains as at present, nevertheless it appears to me that a form of amendment might be possible which would place the patent into a form in which the need for revocation might be avoided. I therefore allow the patentee a period of two months from the date of this decision within which to submit fresh amendments to this end to the Patent Office. The proposed amendments should be shown in red ink on a copy of the B specification. The patentee should send a copy of the amended specification to the applicants, who will then have a period of one month from the date of their receipt of the copy within which to submit any comments thereon to the Patent Office, copied to the patentee. I will then determine how matters should proceed. In the event that no proposed amendments are submitted within the period prescribed above, I will issue a final decision revoking the patent.

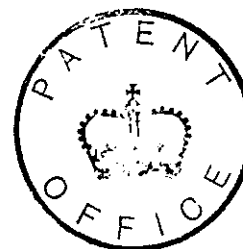
I will defer consideration of costs in the action to date until the final decision. Any appeal against this decision must be lodged within six weeks after the date of the decision.

Dated this 20 day of July 1993



DR P FERDINANDO

Superintending Examiner, acting for the Comptroller



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