

Civil Court of Paris
Third Chamber, Second Section

Judgment rendered 21 June 2002

Plaintiff:

Infomil SARL

having its main office at 29, avenue Champollion, 31000 Toulouse

represented by Mr. Laurent Parleani, member of the Paris bar, attorney, locker C.477

Defendants:

Catalina Marketing Corporation

having its main office at 721 East Ball Road #200, Anaheim, California 92805 (USA)

represented by Mr. Dariuz Szeleper, member of the Paris bar, trial attorney, locker R 017

Catalina Marketing France

having its main office at 96, avenue due Général Leclerc, 92514 Boulogne

represented by Mr. Dariuz Szeleper, member of the Paris bar, trial attorney, locker R 017

Composition of the Court

Mr. Girardet, Vice President,
Ms. Saint-Schroeder, Chief Judge
Mr. Chapelle, Chief Judge

assisted by Annie Venard-Combes, Clerk

Proceedings

At the hearing of 15 March 2002, open to the public

Judgment

Delivered in public hearing in the presence of the parties, in the first instance

Catalina Marketing Corporation, Inc., is owner of European Patent EP 0173835, issued 14 November 1990, for "Method and Apparatus for Distributing Discount Coupons." Its French translation was published 15 February 1991.

Catalina Marketing France practices the patented invention.

Infomil develops and commercializes computer systems destined for large-volume distributors. Believing, from the letter which Catalina France sent it on 16 March 1997, that the patent was an obstacle to systems it commercialized for creating and editing in-store discount coupons,

Infomil brought this action on 28 May 1997 against the Catalina companies requesting cancellation of all claims of the patent on the basis of Articles 52 to 57 of the Munich Convention and L.614-2 of the Intellectual Property Code.

Under the terms of its last written submissions, it renounces the claims which it could make against Catalina Marketing France and maintains its claims for cancellation of all claims of European Patent EP 0173835 owned by Catalina Marketing Corporation.

The defendant companies have concluded and maintain that the patent covers an apparatus (Claims 1 to 11) and a method, according to them a method for operating the apparatus (claims 12 to 22), having a technical effect and an industrial application and thus does not constitute a method claim excluded from the scope of patentability by the provisions of Articles 52-2 and 3 of the Munich Convention. They reject the other prior art references which are raised in opposition on the grounds that they are not of a nature to deprive the patent claims of novelty and inventive step.

Decision

I. Scope of the European Patent

Whereas, in its descriptive portion, the patent explains that systems for distributing discount coupons to purchasers resulted until now in their distribution to persons who had already purchased the same product or a related product, which is contrary to a marketing campaign which *"seeks to increase the number of customers who purchase a product by bringing in new customers"*;

Whereas, to properly attract these new potential new purchasers, the patent recommends the installation and operation of a discount-coupon printing apparatus in a terminal at the point of sale triggered according to the purchase of a predetermined product;

The apparatus of the invention thus comprises

*"-means for identifying a trigger product in the customer order,
-means for associating the trigger product with a coupon operation,
-means for automatically printing at least one discount coupon for a product which may be the same as the trigger product"*;

Whereas, it is made clear (p. 13 and 14) that the equipment used is "conventional" and that different manufacturers supply the point of sale equipment, the control unit, the terminals and the printers, the software system for controlling operation of the equipment, such as the *"program product for permitting users to write programs for execution on a control unit"*;

Whereas, claim 1 reads as follows:

*"Apparatus for printing a reimbursable coupon in a retail store following the purchase of an article, the system comprising
- a plurality of terminals (12) at the check-out locations at the customer exit, each having means (13) for reading the product codes of the articles purchased in a customer order;*

- a store control unit (10) with which the terminals can communicate, the store control unit having access to an article-registration file (30) comprising the price and other information for each article of product,
- a means for identifying in the client order a trigger product, which has been pre-selected for triggering the printing of a coupon and a means (24) for automatically printing at least one discount coupon for a product to which the coupon operation is applicable”;

Whereas, claim 12 reads as follows:

“For use in a point-of-sale system of a retail store having a plurality of terminals (12) at the check-out locations at the customer exit, each having a means (13) for reading the product codes of the articles purchased in a client order, and a store-control unit (10) with which the terminals can communicate, the store control unit having access to an article-registration file (30) containing the price and other information for each article of product, a method for printing a reimbursable coupon following the purchase of an article, the method comprises the steps of:

- identifying in the client order a trigger product which has been pre-selected for triggering the printing of a coupon;
- associating the trigger product with a coupon operation and automatically printing at least one discount coupon for a product to which the coupon operation is applicable”.

II. Validity of Claim 1 and of its dependent claims

Whereas, the plaintiff seeks the nullity of this claim on the grounds that it covers an economic method as such, that it is nothing more than the formal and artificial restatement, in the form of an apparatus, of claim 12, and that it lacks novelty in view of US Patent 3,959,624 to Kaslow and lacks inventive step in view of this patent as well as patents JP 541 354 to Matsushita, JP-58 178 475 to Omron and JP 58 155 475 to Sharp.

A. Unpatentability of the methods

Whereas, under the terms of Article 52 of the Munich Convention, repeated in Article L.611-10 of the Intellectual Property Code, “*methods for performing mental activities ... in the field of economics...*” are not considered patentable insofar as the claimed subject matter concerns only the method as such;

Whereas, in this case claim 1 concerns “*an apparatus for printing a reimbursable coupon*” composed of three units:

- terminals provided with a reader means;
- a control unit with the terminals are linked;
- a unit for identifying trigger products and an automatic printing means;

Whereas, it follows from the wording of this claim that it thus covers a device permitting the delivery of coupons and not a method as such in the field of economics, even though the technical components of the device are described by their simple functionalities;

Whereas, the claimed subject matter is thus not excluded from the scope of patentability under Article 52-2 and 3 of the Munich Convention;

Whereas, furthermore, it does not matter in view of the requirements of the aforementioned Article 52-2 that the recommended equipment is known in its technical configuration since the technical details of the equipment are not claimed;

Whereas, finally, claim 1 clarified by the description of the patent does not describe, as asserted by the plaintiff, vague and general means but perfectly identifiable technical means of which the operation is the subject of claim 12;

b. Novelty

Whereas, the prior art references raised in opposition are US patent 3,959,624 to Kaslow and Japanese patent JP 54.513.54 to Matsushita;

Whereas, insofar as the Kaslow patent is concerned, there is no choice but to accept that the invention has to do with optical reading by the universal code reading system of supermarkets of promotional coupons previously issued, and to the processing of these;

Whereas, insofar as the Matsushita patent is concerned, it claims an invention relating to an electronic cash register provided with means for printing register receipts and for issuing coupons, thanks to the intervention of the cashier who must enter the sales price of the article, then press the key corresponding to the family of the product, which permits the calculation of a discount coupon;

Whereas, obviously these prior art references do not disclose the set of means of claim 1 and do not seek the same result, thus they are not sufficient to destroy novelty;

c. Inventive Step

Whereas, Infomil raises in opposition, beside the aforementioned patents, two Japanese patents 58.178475 to Omron and 58.155475 to Sharp;

Whereas, the Omron patent concerns an electronic cash register which can print appropriate messages at the time of recording an entry; whereas the invention is directed more precisely to permitting, through the intervention of the cashier who presses keys for categories of products, the printing of corresponding preselected long messages; whereas this message may consist of a discount but assumes, in order to be issued, the intervention of an operator;

Whereas, the Sharp patent likewise relates to an electronic cash register which permits identification of those articles presented by the customer which benefit from a special offer and prints this discount; whereas to achieve this the operator must however verify, by pressing an appropriate key, that the product he is entering is or is not the subject of a special offer (see description p. 10); whereas it thus concerns means for calculating the discounts on products for which the references are "*pre-recorded*";

Whereas, the Matsushita, Omron and Sharp references all assume the uncertain intervention of an operator to deliver an appropriate message (Omron); to edit frequent-purchaser coupons as a function of the total of the articles entered (Matsushita) or to verify whether the article entered is the subject of a special offer and to take account of it (Sharp);

Whereas, the Kaslow patent relates only to the reading and processing of existing coupons;

Whereas, one of skill in the art of publishing and distributing promotional coupons in search of means permitting, without intervention of an operator, the issuance of discount coupons in view of trigger products, thus could not, on the basis of his prior knowledge, deduce the device of claim 1 from the teachings of the Kaslow patent combined with the teachings of the aforementioned three Japanese patents;

Whereas, as the matter is presented by the parties, the asserted lack of inventive step is not well founded;

Whereas, as a result, the request for cancellation of claim 1 is rejected and, with it, the request for cancellation of claims 2 to 11 which depend directly or indirectly from it.

III. Validity of Claims 12 et seq.

Whereas, claim 12 reproduced above is independent of the claims which precede it;

Whereas, it first recites the recommended technical device such as described in claim 1 before describing that which constitutes its characterizing portion, the mode of operation of this device, composed of three sequential steps to arrive at the printing of an appropriate discount coupon;

Whereas, this claim thus covers a process, improperly described as a method, for printing of such a coupon using a defined technical device;

Whereas, this device being described in the claim and the industrial application of the process for that matter being neither disputable nor disputed, the defendant need not respond to the allegation that this claim only covers an economic method as such, excluded from patentability.

Whereas, there is likewise no reason to conclude that said process lacks novelty insofar as the opposition is based on the same prior-art references (Kaslow, Matsushita) as those considered in assessing validity of claim 1; whereas, moreover, the cited prior-art references do not cover processes;

Whereas, insofar as the allegation of a lack of inventive step is concerned, it has already been determined that the suggested combination of prior-art references was insufficient to permit one of skill in the art, given his own knowledge, to define the means, and thus the process, for issuing discount coupons without the intervention of an operator and based upon trigger products;

Whereas, the request for cancellation of claim 12 is therefore not well received, no more so than that for the other claims under attack which depend directly or indirectly from this claim.

IV. Counterclaims

Whereas, Catalina Marketing France and Catalina Marketing Corporation have not proven any damages other than those arising from the non-recurring expenses they have shown and for which they request compensation in the amounts respectively of 500,000 francs and one million francs;

Whereas, their counterclaims are therefore rejected;

Whereas, on the other hand, it is not inequitable to order the plaintiff to pay to each of the defendants the sum of 3,000 Euros on the basis of the new Code of Civil Procedure;

On These Grounds

The Court, ruling publicly in the presence of the parties, in the first instance and subject to appeal;

Acknowledges the renunciation by Infomil of its petitions against Catalina Marketing France;

The dismissal of all of its claims

Rejects the counterclaims

Orders Infomil to pay to each of the defendant companies the sum of three thousand Euros (3,000 Euros), pursuant to Article 700 of the new Code of Civil Procedure;

Orders it to pay the costs which will be recovered by Mr. Szeper, attorney at law, as provided in Article 699 of the new Code of Civil Procedure

Decided at Paris on 21 June 2002.

The Clerk

The President

