

The opinion in support of the decision being entered today was not written for publication in a law journal and is not binding precedent of the Board.

Paper No. 21

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte DANIEL DAVID THAXTON, LOREN C. SCHAFER
and MARTIN H. HILEMAN

Appeal No. 2002-0124
Application No. 09/192,842

ON BRIEF

Before THOMAS, KRASS and BARRETT, Administrative Patent Judges.
KRASS, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal from the final rejection of claims 4, 6 and 15-17.

The invention relates to an electronic coupon system for processing an electronic coupon card for storage of coupons thereon and redemption of coupons therefrom. In particular, in one embodiment, the system generates a "products-of-interest" report indicative of products for which the customer indicated an

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interest in a coupon for that product but did not purchase that product. In another embodiment, the system generates a "coupons-to-expire" report indicative of coupons which are about to expire relatively soon.

Representative independent claim 4 is reproduced as follows:

4. An electronic coupon system comprising:

a coupon card;

an in-store kiosk including

a user interface including coupon selection instrumentation operative to prompt entry of coupon selection data at said user interface and to record said coupon selection data, and

a coupon card interface including coupon card writing instrumentation operative to write coupon data to said coupon card according to said coupon selection data and coupon card reading instrumentation operative to read coupon data written to said coupon card;

a point-of-sale terminal including

a transaction data interface operative to permit entry of transaction data representative of a product sale and a product sale price, and

a point-of-sale coupon card interface including coupon card reading instrumentation operative to read coupon data written to said coupon card and coupon card writing instrumentation operative to remove coupon data from said coupon card according to said transaction data;

a host computer in communication with said in-store kiosk and said point-of-sale terminal;

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a coupon data processor programmed to correlate said transaction data with said coupon data read from said coupon card by said coupon card interface and to reduce said product sale price by an amount indicated in said coupon data; and

a report generator programmed to generate a products-of-interest report, wherein said products-of-interest report lists products identified in coupons selected at said user interface but not identified in said transaction data.

The examiner relies on the following references:

Axler et al. (Axler)	5,305,197	Apr. 19, 1994
Day et al. (Day)	5,857,175	Jan. 05, 1999 (filed Aug. 11, 1995)
Powell	5,956,694	Sep. 21, 1999 (filed Feb. 11, 1997)

Claims 4, 6 and 15-17 stand rejected under 35 U.S.C. § 103 as unpatentable over Powell in view of Axler and Day.

Reference is made to the briefs and answer for the respective positions of appellants and the examiner.

OPINION

In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the examiner to establish a factual basis to support the legal conclusion of obviousness. See In re Fine, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966), and to provide a reason why one having ordinary skill in

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the pertinent art would have been led to modify the prior art or to combine prior art references to arrive at the claimed invention. Such reason much stem from some teachings, suggestions or implications in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1051, 5 USPQ2d 1434, 1438 (Fed. Cir.), cert. denied, 488 U.S. 825 (1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc. , 776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985), cert. denied, 475 U.S. 1017 (1986); ACS Hosp. Sys. Inc. v. Montefiore Hosp., 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984). These showings by the examiner are an essential part of complying with the burden of presenting a prima facie case of obviousness. Note In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). If that burden is met, the burden then shifts to the applicant to overcome the prima facie case with argument and/or evidence. Obviousness is then determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. See Id.; In re Hedges, 783 F.2d 1038, 1040, 228 USPQ 685, 687 (Fed. Cir. 1986); In re Piasecki, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d 1048, 1051, 189 USPQ 143, 146-147 (CCPA 1976).

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In the instant case, it is our view that the examiner has not established such a factual basis so as to support the examiner's legal conclusion of obviousness.

We refer to the answer for the examiner's application of the references to the instant claimed subject matter. We do not repeat it here or concern ourselves with the specific application of Powell and Axler because appellants do not dispute the examiner's application of these references. Appellants' argument focuses on the Day reference and whether it suggests generating a "products-of-interest" report (claims 4 and 15) or a "coupons-to-expire" report (claims 6 and 17).

The examiner admits that not one of the applied references discloses a processor generating specific reports such as a "products-of-interest" report or a "coupons-to-expire" report (see bottom of page 4 of the answer). Yet, the examiner contends that while no applied reference teaches these specifically claimed limitations, it would have been obvious, in view of Day's teachings "to incorporate the additional features available in the paperless coupon system" (answer, page 5), such as a "shopping list, a coupons-to-expire report, a report of products actually redeemed or products selected by the customer but not redeemed, a product list for super promotions, anniversary

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discount promotion, and etc.” (answer, page 5) “in order to provide complete coupon information...” (answer, page 5).

In our view, as in appellants', the examiner's rationale is a blatant and classic hindsight rejection somewhat akin to the discredited “obvious to try” standard of obviousness, i.e., even though Day offers no suggestion or reason for generating a “products-of-interest” report and a “coupons-to-expire” report, the examiner's position appears to be that it would have been obvious to try to generate these and/or any other types of reports merely because this is what appellants have done and because Day generates a certain customized list of special offers.

Obviousness is tested by what combined teachings of prior art references would have suggested to those of ordinary skill in the art, not by whether particular combinations of elements would have been “obvious to try.” In re Fine, 837 F.2d at 1075, 5 USPQ2d at 1599 (Fed. Cir. 1988). Also see In re Geiger, 815 F.2d 686, 688, 2 USPQ2d 1276, 1278 (Fed. Cir. 1987); In re Goodwin, 576 F.2d 375, 377, 198 USPQ 1, 3 (CCPA 1978). But whether a particular combination might be “obvious to try” is not a legitimate test of patentability.

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Without any basis for doing so, the examiner finds that merely because Day discloses a means for generating a customized customer offer list, it would have been obvious to extend this teaching to the generation of any type of report, including, conveniently, a "products-of-interest" report and a "coupons-to-expire" report, as claimed by appellants. Such impermissible hindsight gleaned from appellants' own disclosure cannot form a proper basis for a legal conclusion of obviousness within the meaning of 35 U.S.C. § 103.

Accordingly, we will not sustain the rejection of claims 4, 6 and 15-17 under 35 U.S.C. § 103.

The examiner's decision is reversed.

REVERSED

JAMES D. THOMAS)	
Administrative Patent Judge)	
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ERROL A. KRASS)	BOARD OF PATENT
Administrative Patent Judge)	APPEALS AND
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LEE E. BARRETT)	
Administrative Patent Judge)	

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