

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

Paper No. 19

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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Ex parte ANDERS HULTGREN

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Appeal No. 2002-0819  
Application No. 09/047,533<sup>1</sup>

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ON BRIEF

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Before HAIRSTON, JERRY SMITH, and SAADAT, Administrative Patent Judges.  
SAADAT, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal from the Examiner's final rejection of claims 1-3, 5-7, 11-16, 18, 19, 21, 27, 29-34, 36-40, 42, 44-80. Claims 4, 8-10, 17, 20, 22-26, 28, 35, 41 and 43 have been canceled.

We reverse.

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<sup>1</sup> Application for patent filed March 25, 1998, which claims the filing priority benefit under 35 U.S.C. § 119 of Provisional Applications 60/043,610, filed April 15, 1997 and 60/049,774, filed June 16, 1997.

BACKGROUND

Appellant's invention is directed to facilitating financial transactions via a customer mobile terminal and transferring funds between a customer account and a merchant account using a tele/datacommunications network (TSN). The TSN confirms that the customer mobile station is within a predetermined geographical proximity of the merchant terminal before completing the transfer of funds (specification, page 3). The TSN compares the GPS location coordinates of the merchant terminal and the current GPS coordinates of the customer mobile station to determine if they are within an acceptable proximity range (specification, page 4).

Representative independent claims 1 and 21 are reproduced below:

1. A method of facilitating automated payment from a customer account of a customer financial institution to a merchant account of a merchant financial institution, the method including:

acquiring a merchant identifier and transaction amount from a customer mobile station;

verifying the transaction amount with a merchant terminal;

determining whether the customer mobile station and the merchant terminal are within a predetermined geographical proximity;

upon receipt of a verification from the merchant terminal, requesting transfer of the transaction amount from the customer account to the merchant account; and

transferring the transaction amount from the customer account to the merchant account only if the customer mobile station and the merchant terminal are within the predetermined geographical proximity as a security safeguard to assure that the customer mobile station is actually proximate the merchant terminal at the time of requesting transfer.

21. A service node of a telecommunications network which, in response to a request from a customer mobile station, arranges for transfer of a transaction amount from a customer account of a customer financial institution to a merchant account of a merchant financial institution provided that the service node determines that the customer mobile station and the merchant terminal are within a predetermined geographical proximity.

The Examiner relies on the following references in rejecting the claims:

Morrill, Jr. (Morrill)	5,991,749	Nov. 23, 1999 (effective filing date: Sep. 11, 1996)
Hall et al. (Hall)	6,026,375	Feb. 15, 2000 (filed Dec. 5, 1997) <sup>2</sup>
Shannon et al. (Shannon)	6,032,044	Feb. 29, 2000 (filed Aug. 16, 1996)

Claims 1-3, 5-7, 11-16, 18, 19, 21, 27, 29, 31-34, 36-40, 42, 44-80 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Morrill in view of Hall.<sup>3</sup>

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<sup>2</sup> The effective filing date of the Hall reference appears to be after the priority date of the application. However, since there is nothing in the record to indicate that Appellant has challenged the reference as prior art, we treat the reference as prior art.

<sup>3</sup> The Examiner labels the rejection as "anticipation" by mistake, whereas the rejection is under 35 U.S.C. § 103(a).

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Claim 30<sup>4</sup> stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Morrill in view of Shannon.

We make reference to the answer (Paper No. 15, mailed September 10, 2001) for the Examiner's reasoning, and to the appeal brief (Paper No. 14, filed June 26, 2001) for Appellant's arguments thereagainst.

#### OPINION

With respect to the rejection of claims 1-3, 5-7, 11-16, 18, 19, 21, 27, 29, 31-34, 36-40, 42, 44-80, the Examiner asserts that Morrill teaches all the claimed features except for determining if the customer mobile station and a merchant terminal are within a predetermined geographical proximity (answer, page 4). However, the Examiner characterizes the process of checking the time it takes for a customer to reach a facility location of Hall as determining if the customer mobile station is within a predetermined proximity of the merchant terminal (id.). By pointing to the completion of transaction based on a determination that the customer order may be

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<sup>4</sup> The Examiner includes claim 30 in the rejection of the other claims while in the rejection over Morrill and Shannon, claim 30 is replaced with claim 21 in the answer. We assume that this change is inadvertent because the Examiner should be aware that it can constitute a new ground of rejection and is not permitted. We note that although the explanation of the rejection matches the limitations recited in claim 21, the examiner has consistently rejected claim 30 over Morrill and Shannon in all the Office actions including the final Office action (Paper, No. 10, mailed November 2, 2000).

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fulfilled, as disclosed in Hall, the Examiner concludes that it would have been obvious to one of ordinary skill in the art to combine the teachings of Morrill and Hall whereas using the predetermined geographical proximity as a security safeguard must result from the combination (answer, pages 4 & 5).

Appellant argues that considering the customer's location in Hall is merely for scheduling the completion of the order at the same time the customer arrives at a local facility (brief, page 6). Appellant further points out that the use of the customer's location is for efficiency purposes and for insuring that the order is locally available (brief, page 7). Additionally, Appellant indicates that the claimed "predetermined geographical proximity" is necessary to authorize or complete payment, whereas Hall never uses proximity as criteria or authorization for payment and merely considers the GPS coordinates for timing of providing the requested service (id.).

In response to Appellant's arguments, the Examiner asserts that the timing of the customer's arrival is related to the distance between the customer and the merchant (answer, page 13). The Examiner further reasons that since the reference discusses "acceptable estimated times of arrival in order to fulfill the order," a predetermined geographical proximity must be involved as "distance is an integral component" (id.). The Examiner also

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argues that Hall determines if a customer order can be fulfilled within an acceptable wait time and therefore, teaches the geographical proximity as a requisite for completing the transaction and transferring money (answer, page 14).

The initial burden of establishing reasons for unpatentability rests on the Examiner. In re Oetiker, 977 F.2d 1443, 1446, 24 USPQ2d 1443, 1445 (Fed. Cir. 1992). The Examiner must produce a factual basis supported by teaching in a prior art reference or shown to be common knowledge of unquestionable demonstration, consistent with the holding in Graham v. John Deere Co., 383 U.S. 1, 148 USPQ 459 (1966). This evidence is required in order to establish a prima facie case. In re Piasecki, 745 F.2d 1468, 1471-72, 223 USPQ 785, 787-88 (Fed. Cir. 1984); In re Cofer, 354 F.2d 664, 668, 148 USPQ 268, 271-72 (CCPA 1966). However, "the Board must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the agency's conclusion." In re Lee, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002).

First, to address the Examiner's assertion that the timing of the customer's arrival is the same as determining geographical proximity, we note that the claims require that the transaction amount from the customer's account be transferred only if the

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customer's mobile terminal is within a predetermined geographical proximity of the merchant's terminal. Therefore, the determination of the geographical proximity is the criteria for completing the financial transaction and has nothing to do with determining at which merchant location and at what time the service will be provided. Thus, the analysis should be directed to determining whether the customer's location is applied as a condition of completing the transaction.

Our review of Hall confirms that the reference relates to a method and system for receiving an order from a mobile customer, receiving customer location information and scheduling the completion of the order (abstract). In particular, Hall provides for receiving an order from a mobile customer which includes different components related to customer location, the facility that is capable of completing the order, estimated time of arrival of the customer and the time needed to complete the order (col. 3, lines 55-67). According to another component, a facility that is capable of completing the order within the time prior to the customer's arrival is identified (col. 4, lines 1-5). In fact, contrary to the Examiner's interpretation of Hall, determination of the estimated arrival time of the customer based on the location of the mobile customer merely provides the system with information that helps with selecting which merchant

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facility should complete the order, not whether the order should be completed. We also disagree with the Examiner that estimated time of arrival determines if the order would be filled (answer, page 16) since the location of the mobile customer is not compared to a predetermined geographical proximity. In fact, the estimated time of arrival in combination with the other information related to the location, availability of the service and backlog in the facility merely facilitates scheduling by determining which facility has the necessary stock and means for completing the order within the customer's needed time frame (col. 9, lines 33-50).

Therefore, we agree with Appellant that the combination of Morrill and Hall fails to teach or suggest that transferring of the transaction amount is completed only if the customer mobile station and the merchant terminal are within the predetermined geographical proximity, as required by the independent claims. Thus, assuming, arguendo, that it would have been obvious to combine Morrill with Hall, as held by the Examiner, the combination would still fall short of teaching the use of the relative geographical proximity of the customer mobile station and the merchant terminal as a condition for transferring the transaction amount. As the Examiner has failed to set forth a

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prima facie case of obviousness, we cannot sustain the 35 U.S.C. § 103 rejection of claims 1-3, 5-7, 11-16, 18, 19, 21, 27, 29, 31-34, 36-40, 42, 44-80 over Morrill and Hall.<sup>5</sup>

With respect to the rejection of claim 30, the Examiner relies on Morrill and Shannon (final Office action, page 12). However, Shannon provides no teaching related to the claimed determination of the relative geographical proximity of the customer mobile station and the merchant terminal as a condition for transferring the transaction amount in order to overcome the deficiencies of Morrill discussed above with respect to the base claims. Therefore, the 35 U.S.C. § 103 rejection of claim 30 over Morrill and Shannon cannot be sustained.<sup>6</sup>

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<sup>5</sup> We also note that claim 56 is improperly dependent upon itself and should be amended to depend from claim 55 which appears to provide the antecedent basis for the features recited in claim 56.

<sup>6</sup> Even if the rejection was meant to be for claim 21, the above-noted claimed feature, which is present in independent claims 21 and 69, is neither taught nor suggested by the combination of Morrill and Shannon.

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CONCLUSION

In view of the foregoing, the decision of the Examiner rejecting claims 1-3, 5-7, 11-16, 18, 19, 21, 27, 29-34, 36-40, 42, 44-80 under 35 U.S.C. § 103 is reversed.

REVERSED

KENNETH W. HAIRSTON	)	
Administrative Patent Judge	)	
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	)	
	)	BOARD OF PATENT
JERRY SMITH	)	APPEALS
Administrative Patent Judge	)	AND
	)	INTERFERENCES
	)	
	)	
MAHSHID D. SAADAT	)	
Administrative Patent Judge	)	

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NIXON & VANDERHYE  
1100 North Glebe Road, 8th Floor  
Arlington, VA 22201