

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.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. 20

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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Ex parte CARL MEYER, ANTHONY N. HOEBER, ERIK A. KAY  
and STEPHEN W. BARTLETT

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Appeal No. 2002-2174  
Application No. 09/263,166

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ON BRIEF

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Before THOMAS, LEVY, and SAADAT, Administrative Patent Judges.  
LEVY, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134 from the examiner's final rejection of claims 1-28, 30-32 and 34-102. Claims 29 and 33 were indicated as allowable by the examiner (final rejection, page 4). In addition, the examiner states (answer, page 2) that the rejection of claims 61, 62, 70, 74 and 92 has been withdrawn. An amendment filed subsequent to the final rejection (Paper No. 10, filed August 10, 2001) was denied entry by the examiner (Paper No. 11, mailed August 29, 2001).

BACKGROUND

Appellants' invention relates to a method and system for delivering and redeeming dynamically and adaptively characterized promotional incentives on a computer network. An understanding of the invention can be derived from a reading of exemplary claim 1, which is reproduced as follows:

1. A method for distributing incentives residing on an incentive information computer over a network, the incentive information computer connected to the network and coupled to an incentive database containing the incentives, each incentive having a set of parameters of the incentive, the set of parameters including a value, the value based on meeting a set of one or more match criteria, the method comprising the steps of:

for a particular incentive,

publishing a selecting mechanism for the particular incentive, the publishing at one or more locations of the network.

The prior art reference of record relied upon by the examiner in rejecting the appealed claims is:

Johnson et al. (Johnson)                    5,606,602                    Feb. 25, 1997

Claims 1, 2, 4-14, 16-25, 27, 28, 30-32, 34-41, 52, 53, 55, 56, 58-60, 63-69, 71, 73, 75-78, 81-83, 93-95 and 97 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Johnson.

Claims 3, 15, 26, 42-51, 54, 57, 72, 79, 80, 84-91, 96 and 98-102 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Johnson.

Rather than reiterate the conflicting viewpoints advanced by the examiner and appellants regarding the above-noted rejections, we make reference to the examiner's answer (Paper No. 15, mailed March 19, 2002) for the examiner's complete reasoning in support of the rejections, and to appellants' brief<sup>1</sup> (Paper No. 13, filed January 31, 2002) for appellants' arguments thereagainst. Only those arguments actually made by appellants have been considered in this decision. Arguments which appellants could have made but chose not to make in the brief have not been considered. See 37 CFR 1.192(a).

#### OPINION

In reaching our decision in this appeal, we have carefully considered the subject matter on appeal, the rejections advanced by the examiner, and the evidence of obviousness relied upon by the examiner as support for the rejections. We have, likewise, reviewed and taken into consideration, in reaching our decision, appellants' arguments set forth in the briefs along with the

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<sup>1</sup> A supplement brief was filed (Paper No. 18, filed September 28, 2002) to provide statements relating to the Real Party in Interest and Related Appeals and Interferences.

examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer. Upon consideration of the record before us, we affirm-in-part.

We begin with the rejection of claims 1, 2, 4-14, 16-25, 27, 28, 30-32, 34-41, 52, 53, 55, 56, 58-60, 63-69, 71, 73, 75-78, 81-83, 93-95 and 97 under 35 U.S.C. § 102(b). We note at the outset that appellants list 28 Groups of claims that have been separately argued. However, we decline to follow appellants' groupings because the groupings do not align properly with the dependency of the claims. For example, appellants' Group 2 (brief, page 8) lists claims 5, 6, 9, 13, 63 and 76. Although claims 5, 6, and 9 depend directly or indirectly from claim 1 (Group 1), claim 13 depends from independent claim 12, which is argued in appellants' Group 13. In addition, claim 63 depends from claim 55, which is argued in appellants' Group 7. In our Decision, we will first address the independent claims rejected under 35 U.S.C. § 102(b), followed by the dependent claims rejected under 35 U.S.C. § 102(b). We will then address the dependent claims rejected under 35 U.S.C. § 103(a). Accordingly, although we address the claims in a different order than appellants, all of appellants' arguments have been carefully considered. We begin with claim 1.

To anticipate a claim, a prior art reference must disclose every limitation of the claimed invention, either explicitly or inherently. In re Schreiber, 128 F.3d 1473, 1477, 44 USPQ2d 1429, 1431 (Fed. Cir. 1997).

The examiner's position (answer, pages 3 and 4) is that the moderator of Johnson meets the claimed incentive information computer, and that Johnson's list of carrier bids meets the claimed selecting mechanism. The examiner asserts (answer, pages 4 and 5) that Johnson's disclosure of the Subscriber downloading the bid information meets the claimed "publishing the selecting mechanism." The examiner further asserts (answer, page 3) that the value of the incentive meets the claimed "match criteria." The examiner additionally asserts (id.) that Johnson's list of Carrier bids meets the claimed incentive existence message.

Appellants assert (brief, page 14) that there is no selection mechanism of an incentive taught in Johnson, but rather a list of Carriers who provide bid information to the Moderator. Appellants argue that this does not disclose a selection mechanism, because the Subscriber selects Carriers, not bids. It is further asserted (brief, page 15) that Johnson does not disclose that the value of an incentive is based on meeting a set of one or more match criteria, or that the incentives have a

value that depends on the consumer meeting one or more match criteria. Appellants maintain (brief, pages 15 and 16) that the claim requires that the match criteria are met by the consumer.

We note at the outset that appellants' invention is directed to a method for distributing incentives such as discount coupons, sweepstakes, frequent program mileage, premiums, free samples, and product tie-ins, over a network, preferably the Internet. From our review of Johnson, the sole reference applied against the claim by the examiner, we find that Johnson is not directed to the distribution of incentives such as coupons. Rather, Johnson is directed to bidding for telecommunications traffic. Specifically, Johnson discloses that telecommunications switches route calls in accordance with least call routing, resulting from a bidding process between different Carriers. The process is administered by a bidding service provider through operation of central processor, referred to as a Moderator (col. 1, lines 46-54). Each of the Carriers transmits to the Moderator the rate it is willing to charge for service between two specific points. This bid rate may be lower than the Carrier's established rate, for any number of reasons, such as the Carrier has excess capacity on that route at that time. The Carrier may change its bids as often as it likes during the day as traffic patterns

change. The Moderator collects the bid information from all of the carriers, sorts it, and transmits it to an adjunct processor (computer) at each subscribing switch location, and to all Carriers. Each subscribing switch (Subscriber) gets the rate information submitted by all Carriers to the Moderator. From the list of all Carriers providing bid information to the Moderator, each Subscriber can select the carriers which it wants to route the traffic, and can change the selection at any time. The Subscriber downloads the bid information of the selected Carriers into routing tables of the "least cost" routing software in the switch. After each bid is submitted by a Carrier and processed by the Moderator, it is distributed to the Subscribers and to all of the Carriers. All Carriers can thereafter submit a lower or higher bid to stimulate or discourage additional traffic (col. 1, line 59 through col. 2, line 25). Similarly, the Moderator may offer a different class of service directly to end users who are calling parties. In this case, the Moderator will broadcast each Carrier's bid to an interface unit at each user location. This information may be displayed for evaluation by the end user, or processed within the interface unit with direction from the end user. If the Carrier information is displayed to the end user, the user can choose a Carrier for a call attempt and key-in the

selected Carrier's identification code before entering the telephone number. If the information is processed automatically within an interface unit, the interface unit can automatically insert the appropriate Carrier identifier before outgoing telephone numbers (col. 2, lines 26-46). Through this bidding process, Carriers can compete for traffic on selected routes or compete for traffic originating from selected points in the telecommunications network (col. 2, lines 47-50).

From the disclosure of Johnson, we find that Johnson is directed to bidding on routing calls between two specific points on a communications network, and is not directed to the distribution of electronic incentives such as coupons. Thus, the issue is whether appellants' claims are drafted in a broad enough fashion so as to read on Johnson's invention in a manner unintended by appellants.

From our review of Johnson, we agree with the examiner that the list of Carrier bids meets the claimed incentive information because of Johnson's disclosure (col. 1, lines 49 and 50) that least cost routing is considered an economic incentive. In addition, we agree with the examiner that claim 1 does not recite that the match criteria is met by the consumer. We are not persuaded by appellants' assertion that the specification

requires so limiting an interpretation of the claim. If appellants want the claim to require that the match criteria are met by the consumer, then the claim should specifically require the limitation. We decline to read into the claim limitations not found therein.

From our review of Johnson, we agree with the examiner (answer, page 6) that the value of the bid is based on the Carrier having excess capacity on the line at the time of the request, which meets the claimed value of the incentive being based on match criteria. However, we do not agree with the examiner that the list of bids from the Carriers reads on the selecting mechanism. In Johnson, the selecting mechanism is the least cost routing software in the Subscriber switch. The list of bids provides the Subscribers with the incentives offered by each Carrier. The list of bids is merely a list and is not a mechanism for selecting a bid for transmitting a call between two specific points. In addition, the selecting mechanism in Johnson is the same for all Subscriber switches. Claim 1 requires that a selecting mechanism is published for each incentive. Although we agree with the examiner that broadcasting information to the Subscriber can broadly be considered to be "publishing" the bid data, we find no teaching that there is a selecting mechanism for

a particular incentive, as required by claim 1. From all of the above, we find that the examiner has failed to establish a prima facie case of anticipation of claim 1. The rejection of claim 1 under 35 U.S.C. § 102(b), and claims 2 and 4-11, dependent therefrom, is reversed.

We turn next to independent claim 12. We note at the outset that claim 12 does not include the selection mechanism of claim 1. The examiner's opinion is set forth on page 8 of the examiner's answer. Appellants assert (brief, page 26) that the claim adds that one or more parameters of the same incentive (the incentive whose existence message or a selection mechanism for which is published at one or more network locations) depend on one or more characteristics of the consumer. Appellants argue to the effect that the value (discount amount) depends on some property of the consumer, and that the portion of Johnson cited by the examiner does not teach this feature. It is argued (id.) that in Johnson, a particular incentive, e.g, the cost of carrying communications traffic from point A to point B does not in any way depend on any characteristic of the consumer.

At the outset, we note that the language regarding the value being based on meeting a set of one or more match criteria only requires one match criteria, and we find this limitation to be

met based on our findings with respect to claim 1. In addition, the language regarding displaying a first set of one or more parameters only requires a single parameter, and that this is met by the price of the bid that has been selected based on the lowest cost software. We additionally find that the language regarding the at least one parameter being published on the network is met by the broadcast of the list of bids to the Subscriber or end user. In addition, we find that the language regarding at least one parameter being dependent on one or more characteristics of the user only requires a single parameter and a single characteristic. We find that this limitation is met by Johnson for the reasons set forth by the examiner (answer, page 8), namely, that the time of the call, the location of the customer and the location of the party being called are characteristics of the customer; see col. 4, lines 10-15 and col. 5, lines 30-34 and col. 7, lines 45-57). Thus, we do not agree with appellants (brief, page 26) that Johnson does not disclose that one or more parameters of the incentive depend on one or more characteristics of the consumer. From all of the above, we are not convinced of any error on the part of the examiner in rejecting claim 12 under 35 U.S.C. § 102(b). Accordingly, the rejection of claim 12 under 35 U.S.C. § 102(b) is affirmed.

We turn next to independent claim 55. As claim 55 requires publishing a selection mechanism, we cannot sustain the rejection of claim 55. Accordingly, the rejection of claim 55 is reversed for the same reasons as we reversed the rejection of claim 1. As claims 56, 58-60, 63-69, 71, 73, 75-78 and 81-83 depend therefrom, the rejection of claims 56, 58-60, 63-69, 71, 73, 75-78 and 81-83 under 35 U.S.C. § 102(b) is reversed.

We turn next to independent claim 93. The examiner's position is set forth on page 9 of the examiner's answer. Appellants assert (brief, page 31) that an incentive formula is used to determine bid value as a function of one or more characteristics of the consumer, and that the incentive feature is not taught by Johnson. It is further asserted that the feature that the incentive existence message is displayed when the consumer computer accesses the location of publication on the network of the existence message, is not taught by Johnson. It is argued (id.) that the examiner's rejection is faulty because:

Johnson et al. does not disclose that a first set of one or more parameters of the particular incentive on the consumer computer when the consumer computer accesses one of the locations containing the selecting mechanism of the particular incentive, applies to the feature displaying the incentive existence message when a consumer accesses one of the locations on the network where an incentive existence message is published.

Appellants additionally refer to their arguments with respect to independent claim 55 that contains a similar limitation, arguing that:

there is no step taught of the consumer computer (e.g., the interface unit) accessing the location and the resulting step that a set of one or more parameters is displayed when the consumer computer accesses one of the locations on the network where the selection mechanism is published.

We note at the outset that appellants do not dispute the examiner's finding that the interface unit of Johnson is a user computer, but rather argue that there is no step taught of the interface unit accessing the location (where the incentive existence message is published), and the resulting step that one or more parameters is displayed when the consumer computer (interface) accesses one of the locations where the selection mechanism is published.

From our review of Johnson, we find that the interface unit can be a stand-alone piece of equipment (col. 9, lines 7 and 8) that processes the data sent by the Moderator, which processes and sorts the data to determine which bids apply to which end users (col. 8, lines 53-55). We further find that the information received from the Moderator may be displayed for evaluation by the end user, or processed within the interface

unit with direction from the end user (col. 8, lines 61-63). Johnson further discloses that the interface unit may be an attachment incorporated into the end user's terminal equipment or may be software defined portion of the terminal equipment (col. 9, lines 7-10), and that if the terminal equipment is a PC or microprocessor-containing equipment, the (bid) decision may be software implemented (col. 9, lines 18-21).

From the disclosure of Johnson, we find that the interface may be a computer that decides on which bid to accept, and is operated by the end user (consumer). As we found with respect to claim 1, the Moderator meets the claimed incentive information computer, and that the database which the processed bids are entered into by the Moderator (col. 3, lines 41-43) meets the claimed incentive database. We further find that the interface, which receives the bid data from the Moderator, accesses the incentive information. Because the value of the incentive is based on factors such as the date and time of the call, and where the caller is calling from, we find that the displayed incentive existence message (received bid which is displayed) indicating the existence of the incentive in the incentive system meets the claimed "wherein the consumer computer is programmed to display an incentive existence message indicating the existence of the

incentive in the incentive system" as required by claim 93. We additionally find that this display occurs when the consumer computer is connected to the system. We moreover find that the distribution of the bid information to the appropriate interfaces meets the claimed "published at the one or more locations." Additionally, we observe that independent claim 93 does not recite that the consumer computer accesses one of the locations containing the selecting mechanism of the particular incentive. claim 93 recites that the consumer computer is programmed to display the incentive existence message indicating the existence of the incentive in the system, which is met by the displaying of the processed bid information. Claim 93 further recites that the display occurs when the consumer computer is connected to a location on the network, which is met by the interface being connected to the system and in communication with the Moderator. Accordingly, we do not agree with appellants that these features of claim 93 are not met by Johnson. The rejection of claim 93 under 35 U.S.C. § 102(b) is therefore affirmed.

We turn next to claim 13. The claim recites that the set of parameters of the incentive comprises an incentive existence message, and that one parameter is the incentive existence message. Appellants assert (brief, page 18) that the incentive

existence message may include an icon, or an audiovisual or graphical incentive icon. We are not persuaded by either argument as claim 13 does not recite these features. From our review of Johnson, we find that the displayed bid parameters comprise an incentive existence message and that one parameter, e.g., price, can be the incentive existence message. Accordingly, we find claim 13 to be anticipated by Johnson. The rejection of claim 13 under 35 U.S.C. § 102(b) is therefore affirmed.

We turn next to claim 14. Appellants assert (brief, page 26) that Johnson does not describe that one or more parameters of the same incentive depend on one or more characteristics of the consumer. We affirm the rejection of claim 14 based upon our findings, supra, with respect to claim 12, and for the reasons set forth by the examiner (answer, page 8).

We turn next to claim 16. We cannot sustain the rejection of claim 16 because Johnson does not disclose transmitting consumer identification information to a member information computer. Nor does Johnson disclose storing consumer identification data in a database coupled to a member information computer. Johnson does receive consumer identification information in the form of the user's telephone number. However,

as Johnson does not disclose a member information computer or database, we are not persuaded by the examiner's assertion (answer, page 8) that these features are inherent in Johnson. Accordingly, the rejection of claim 16, and claims 17-20, dependent therefrom, under 35 U.S.C. § 102(b) is reversed.

We turn next to claim 21. Appellants assert (brief, page 27) that Johnson does not disclose the claimed specific one or more consumer characteristics that an incentive depends on, and that claim 21 specifies the location of the consumer on the network. We find that claim 21 recites that "one of the consumer characteristics on which the at least one message characteristic is dependent is the particular location on the network." From the teachings of Johnson that network switching schemes may identify route originating points (col.5, lines 19-23) we find that consumer characteristics include the consumer's location on the network. Accordingly, we are not persuaded by appellants that the limitations of claim 21 are not met by Johnson. The rejection of claim 21 under 35 U.S.C. § 102(b) is therefore affirmed.

We turn next to claim 22. Claim 22 recites "displaying a second set of one or more parameters of the particular incentive on the display device of the consumer computer." Appellants note

(brief, page 23) that the examiner does not explain how the limitations of claim 22 are met by Johnson. From our review of the examiner's answer, we find the examiner's assertion (answer, page 8) that the "display of parameters in the bid information . . . would necessarily teach claim 13" is misplaced as the examiner does not address how claim 22 is met by Johnson. From our review of Johnson, we find that Johnson discloses (col. 2, lines 17-19) that the Subscriber downloads the bid information into the routing tables of the least cost routing software in the switch. Johnson further discloses (col. 2, lines 26-31) that in a different class of service, carriers will offer an economic incentive by means of a low rate or a stated discount. Thus, from the teachings of Johnson, we find a first parameter of bid price, and also find that incentives such as a reduced rate or stated discount are provided. Johnson further discloses (col. 5, lines 34 and 35) that the economic incentive could be a combination of rate and another incentive. From this disclosure of Johnson, we find that the bid information displayed by the interface will include a second set of one or more parameters. From all of the above, we find that Johnson anticipates claim 22. Accordingly, the rejection of claim 22 under 35 U.S.C. § 102(b), is affirmed.

We turn next to claim 23. Claim 23 requires that the incentive existence message includes interaction means for the consumer to interact with the incentive, and that the displaying of the second set of parameters is in response to the consumer interacting with the interaction means. Appellants assert (brief, page 24) that the examiner has not shown how Johnson has this feature. From our review of Johnson, we find that the end user's selection of one of the bids or incentives offered can be considered to be interacting with the incentive. However, we find that the parameters are displayed to the user for the user to select a bid or incentive, and that Johnson does not disclose that the second set of parameters is displayed to the user in response to the consumer interacting with the interacting means. Accordingly, the rejection of claim 23, and claim 27, dependent therefrom, is reversed.

We turn next to claim 28. The claim requires that at least one parameter of the displayed second set of parameters depends on one or more characteristics of the consumer. Appellants assert (brief, page 26) the same arguments that were presented for claims 12 and 14. From the disclosure of Johnson (col. 5, lines 30-34) we find that:

However, many other kinds of economic incentive may be offered, such as a credit toward other services (e.g., frequent flyer points) or a credit toward an additional rebate that may be offered if a user's traffic for a given month rises above a threshold.

From the disclosure of Johnson, we find that the second parameters displayed will depend on one or more characteristics of the computer e.g., additional rebate if the user's traffic rises above a threshold for a given month. Accordingly, the rejection of claim 28 under 35 U.S.C. § 102(b) is affirmed.

We turn next to claim 30. The examiner's position is found on page 8 of the answer. The claim requires that a parameter of the displayed second set of parameters depends on the set consisting of the present time, present date, and location. Although time, data and location are parameters for incentives, the claim requires that a parameter of the displayed second set of parameters consists of the above group. Johnson discloses (col. 5, lines 30-39) that:

However, many other kinds of economic incentive may be offered, such as a credit toward other services (e.g., frequent flyer points) or a credit toward an additional rebate that may be offered if a user's traffic for a given month rises above a threshold. The economic incentive could be a combination of rate and another incentive. But the economic incentive should be selected from a limited set authorized by the provider of the bidding mechanism, because the incentive must be capable of being evaluated by the software in each subscribing switch's adjunct computer.

From the disclosure of Johnson, we find no teaching that a parameter of the displayed second set of incentive parameters depends on the time, date or location on the network.

Accordingly, we find that the examiner has failed to establish a prima facie case of anticipation of claim 30. The rejection of claim 30 under 35 U.S.C. § 102(b) is therefore reversed.

We turn next to claim 39. We cannot sustain the rejection of claim 39 for the same reasons as we reversed the rejection of claim 26. Accordingly, the rejection of claim 39, and claims 40 and 41, dependent therefrom, under 35 U.S.C. § 102(b) is reversed.

We turn next to claim 32. Appellants assert (brief, page 27) that the examiner's position is erroneous. The examiner's position is found on page 8 of the examiner's answer. From our review of Johnson, we find from Johnson's disclosure (col. 5, lines 34 and 35) of different incentives offered based on different parameters, that the second set of parameters includes the incentive value. Accordingly, we do not agree with appellants that claim 32 is not anticipated by Johnson. The rejection of claim 32 under 35 U.S.C. § 102(b) is therefore affirmed.

We turn next to claim 34. Appellants' arguments (brief, page 27-30) do not specifically argue claim 32, but rather point out how the incentive formula is disclosed in the specification. From our review of claim 34, we are in agreement with the views of the examiner that:

*The reference teaches that the incentive rate value is determined according to the time at which the consumer wishes to place a call and the locations of the consumer and of the party the consumer wishes to call (col. 1 lines 57-59). This reads on an incentive formula used to determine the incentive value as a function of one or more characteristics of the consumer.*

Because of Johnson's disclosure (col. 1, lines 57-59) that the incentive rate value is determined according to the time of the call and the originating and terminating points of the call, which are characteristics of the consumer, we find that Johnson anticipates claim 34. Accordingly, the rejection of claim 34 under 35 U.S.C. § 102(b) is affirmed.

We turn next to claim 35. We cannot sustain the rejection of claim 35 for the same reasons as we reversed the rejection of claim 16, supra. Accordingly, the rejection of claim 35, and claims 36-38, dependent therefrom, under 35 U.S.C. § 102(b) is reversed.

We turn next to claim 52. We reverse the rejection of claim 52 because although Johnson discloses that the end user evaluates the data downloaded from the Moderator (col. 2, lines 32-36); that the end user may provide direction to the interface unit (col. 2, line 36), and that the end user may read the bids from the display screen and make the routing decision (col. 9, lines 15-17), we find no teaching of redeeming the incentive. We are not persuaded by the examiner's assertion (answer, page 10) that incentive redemption is well known, as the examiner's position does not establish that Johnson anticipates claim 52. Accordingly, the rejection of claim 52, and claim 53, dependent therefrom, under 35 U.S.C. § 102(b) is reversed.

We turn next to claim 24. Appellants assert that the examiner does not explain how Johnson describes the feature of the claim. The examiner's position (answer, page 8) is that Johnson's disclosure provides that the information may be displayed for evaluation by the end user. We agree, and add that Johnson's disclosure (col. 2, lines 33-39) that the end user, in addition to evaluating the display, can choose the carrier or provide direction to the interface unit, provides a disclosure of the invention set forth in claim 24. Accordingly, the rejection of claim 24 under 35 U.S.C. § 102(b) is affirmed.

We turn next to claim 25. We cannot sustain the rejection of claim 25 for the same reasons as we reversed the rejection of claim 16. Accordingly, the rejection of claim 25 under 35 U.S.C. § 102(b) is reversed.

We turn next to claim 94. Both appellants (brief, page 31) and the examiner (answer, page 9) rely upon the same arguments presented for claim 93. At the outset, we make reference to our findings, supra, with respect to independent claim 93. We find from our review of Johnson (col. 8, lines 61-65) that in response to a user attempt to make a call, the bid incentive information, including the value of the incentive, is displayed on the interface to the user. After a routing decision is made by the system using the least cost software, or by the user, the call is placed. From this disclosure of Johnson, we find claim 94 to be met by Johnson. Accordingly, the rejection of claim 94 under 35 U.S.C. § 102(b) is affirmed.

We turn next to claim 95. We cannot sustain the rejection of claim 95 based upon our reasons for reversing the rejection of claim 16. Accordingly, the rejection of claim 95 under 35 U.S.C. § 102(b) is reversed.

We turn next to claim 97. Appellants assert (brief, page 19) that the examiner has failed "to explain how and where

Johnson et al. discloses that the existence message or the publishing mechanism includes a reference to one or more locations on the network. The examiner's position is set forth on page 7 of the answer.

Claim 97 recites that "the incentive existence message comprises a reference to one or more parameters of the incentive." Johnson discloses (col. 1, lines 56-58) that the bid includes the rate the carrier charges to transmit the call. From this disclosure of Johnson, we find that the incentive existence message include a reference to the cost of transmitting the call, which is a disclosure of a parameter of the incentive (bid). Accordingly, the rejection of claim 97 under 35 U.S.C. § 102(b) is affirmed.

We turn next to the rejection of claims 3, 15, 26, 42-51, 54, 57, 72, 79, 80, 84-91, 96 and 98-102 under 35 U.S.C. § 103(a).

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 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 must stem from some teaching, suggestion or implication 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. 1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985); 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. See id.; In re Hedges, 783 F.2d 1038, 1039, 228 USPQ 685, 686 (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, 1052, 189 USPQ 143, 147 (CCPA 1976).

At the outset, we reverse the rejection of claims 3, 26, 54, 57, 72, 79, 80 and 84-91 and 99 in view of our reversing the rejection of claims from which these claims depend, and because there is no evidence in the record to establish the obviousness of modifying Johnson to make up for the basic deficiencies of the reference.

We turn next to claim 15. We reverse the rejection of claim 15 under 35 U.S.C. § 103(a) because Johnson does not teach that the incentive existence message includes an incentive icon.

We turn next to claim 42. We reverse the rejection of claim 42 under 35 U.S.C. § 103(a) because although Johnson discloses displaying or publishing the incentive, Johnson does not disclose clipping of the incentive. We find no teaching or suggestion in the record that would have suggested to an artisan "clipping" the bid material displayed on the interface.

We turn next to claim 43. We reverse the rejection of claim 43 under 35 U.S.C. § 103(a) for the same reasons as we reversed the rejection of claim 16 and because there is no suggestion in the record that would have suggested to an artisan the provision of a consumer information computer and associated database for storing consumer identification information. Because the consumer's phone number is used for determining the relevant

carrier bid, we find no reason to separately store consumer identification information. Accordingly, the rejection of claim 43, and claims 44-51 dependent therefrom, under 35 U.S.C. § 103(a) is reversed.

We turn next to claims 96, 98<sup>2</sup> and 100-102. Appellants assert, inter alia, (brief, pages 33-40) that Johnson does not teach that the network is the Internet and that there is no teaching to apply the Internet to Johnson. It is argued that to apply the Internet to Johnson's invention, would require a description of how to modify Johnson's interface and subscribing switches to operate on the Internet and how to produce all of the other features of appellants' invention. In addition, appellants do not question the examiner's assertion that the Web is known, but assert that there is no suggestion in Johnson of how to modify it to operate on the Web in the manner of appellants' invention. Appellants additionally argue that there is no suggestion of how Johnson can be modified to produce the appellants' inventive use of URLs.

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<sup>2</sup> We observe that there is no antecedent basis in claim 98 for the term "reference." However, as the meets and bounds of the claim can be understood from a reading of appellants' disclosure, we consider this to be a formal matter that the examiner can address subsequent to the appeal.

From our review of the record, we are in agreement with the examiner that although Johnson does not disclose the use of the Internet, Web pages or URLs, we agree with the examiner (answer, pages 9 and 10) that in view of Johnson's disclosure (col. 4, lines 59-62) that "[t]his could be accomplished, for example, by many known local area network (LAN), metropolitan area network (MAN), and wide area network (WAN) technologies," that it would have been obvious to an artisan to use the Internet as the known LAN, MANN or WAN disclosed by Johnson. As to the use of Web pages and URLs, we find that use of the Internet would inherently include Web pages and URLs. We are not persuaded by appellants' assertion that there is no suggestion in Johnson to use the Internet as the network of Johnson. The portion of Johnson relied upon by the examiner has not been argued by appellants. Although the examiner relied upon col. 4, lines 59-62 for these features for the first time in the examiner's answer, appellants had the right to file a reply brief to address the examiner's arguments, which appellants have not done. From the disclosure of Johnson, and the lack of any arguments addressing this portion of the reference relied upon by the examiner, we are not convinced of any error on the part of the examiner with respect to claims 96 and 98-102.

From all of the above, the rejection of claims 96, 98 and 100-102 under 35 U.S.C. § 103(a) is affirmed.

CONCLUSION

To summarize, the decision of the examiner to reject claims 12, 13, 14, 21, 31, 92, 93, 95 and 97 under 35 U.S.C. § 102(b) is affirmed. The rejection of claims 1, 2, 4-11, 16-20, 22-25, 27, 28, 30, 32, 34-41, 52, 53, 55, 56, 58-60, 63-69, 71-73, 75-78, 81-83, and 94 under 35 U.S.C. § 102 (b) is reversed. The rejection of claims 96, 98 and 100-102 under 35 U.S.C. § 103(a) is affirmed. The rejection of claims 3, 15, 26, 42-51, 54, 57, 72, 79, 80, 84-91 under 35 U.S.C. § 103(a) is reversed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136 (a).

AFFIRMED-IN-PART

JAMES D. THOMAS	)	
Administrative Patent Judge	)	
	)	
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	)	
	)	BOARD OF PATENT
STUART S. LEVY	)	APPEALS
Administrative Patent Judge	)	AND
	)	INTERFERENCES
	)	
	)	
	)	
MAHSHID D. SAADAT	)	
Administrative Patent Judge	)	

SSL/gjh

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