

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.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. 31

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte CARROLL W. CRESWELL and ROY PHILIP WEBER

Appeal No. 2003-1022
Application No. 09/152,810

ON BRIEF

Before KRASS, JERRY SMITH and GROSS, Administrative Patent Judges.

KRASS, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal from the final rejection of claims 1-7, 9, 17-19 and 21-26.

The invention is directed to a method of securing purchases over a computer network. In order not to divulge sensitive credit card information or personal information about the purchaser, the method includes a two-prong approach whereby an

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item to be purchased is identified by a purchaser over the Internet on a vendor server and the purchaser then places a telephone call over a telephone network to a billing server. During the telephone call, the billing server receives a billing amount for the item and a financial account and the purchaser is provided with a confirmation number. The confirmation number is then sent, via the Internet, to the vendor server by the purchaser. After verification of the confirmation number, the vendor sends the item to the purchaser and the vendor server sends the confirmation number to the billing server over the telephone network.

Representative independent claim 1 is reproduced as follows:

1. A method of purchasing an item by a purchaser, said method comprising:

(a) providing an identity of the item to the purchaser from a vendor server over a first network;

(b) receiving a telephone call at a billing server over a second network from the purchaser;

(c) receiving a billing amount for the item and a financial account during the telephone call;

(d) providing a confirmation number and a cancel code to the purchaser during the telephone call;

(e) receiving the confirmation number at the vendor server over the first network from the purchaser; and

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(f) determining at the vendor server whether the confirmation number indicates a virtual check;

(g) waiting a predetermined time before executing step (h) if the confirmation number indicates a virtual check; and

(h) sending the confirmation number from the vendor server to the billing server over the second network if the cancel code is not received from the purchaser within the predetermined time.

The examiner relies on the following references:

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| Blonder et al. (Blonder) | 5,708,422 | Jan. 13, 1998 |
| Bezos | 5,727,163 | Mar. 10, 1998 |
| Rose et al. (Rose) | 5,757,917 | May 26, 1998 |

Claims 1-7, 9, 17-19 and 21-26 stand rejected under 35 U.S.C. § 103 over the combination of Rose, Bezos and Blonder.

Reference is made to the brief 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 the pertinent art would have been led to modify the prior art or

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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). Only those

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arguments actually made by appellant have been considered in this decision. Arguments which appellant could have made but chose not to make in the brief have not been considered and are deemed to be waived [see 37 CFR 1.192 (a)].

With regard to independent claim 1, the examiner asserts that Rose discloses the claimed subject matter except that whereas Rose discloses that a card reader at the vendor makes a call to a billing server to provide the amount of the sale, card number and that the buyer transfers the card number using the Internet "or other means" (column 8, lines 8-11), Rose does not explicitly disclose that the call is being made via a telephone network.

The examiner turns to Bezos for a teaching of providing a portion of purchase information over a public telephone system and concludes that it would have been "obvious...to use a telephone network to make the corresponding calls in the Rose system" (answer-page 4) in order to increase the level of security for the purchaser's account number, as discussed by Bezos (column 6, lines 6-11).

Realizing that neither Rose nor Bezos discloses providing a confirmation number from the billing server to the purchaser, who then provides it to the vendor, who then sends the confirmation

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number back to the billing server, the examiner turns to Blonder. The examiner asserts that Blonder teaches a customer requesting a confirmation number, or code, from a billing server (column 14, lines 43-51) and, upon receiving the code, the customer sends it, along with the purchase order, to the vendor, who then returns the code to the billing server for authorization of the transaction (column 14, lines 55-59).

The examiner also contends that Blonder discloses the use of a special code to identify a virtual check, or debit card, at column 4, lines 62-66, and concludes that it would have been obvious to allow the customer in Rose to send the confirmation number directly to the vendor instead of routing it through the billing server.

It is our view that the examiner's reasoning is quite logical up until Blonder is applied for a teaching of a "virtual check." The examiner equates Blonder's disclosure of a debit card with that of a "virtual check" because both are authorizations from an account holder to transfer monies from a checking account to another entity and, since a debit card transaction takes place on line, as opposed to a physical check changing hands, the debit card transaction is a "virtual check transaction" (answer-page 11).

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While the examiner's logic in this regard would have some credence if the term "virtual check" were interpreted in a vacuum, it is clear from the instant specification, at page 7, that a "virtual check" is defined as something that "allows the purchaser to cancel the electronic transaction within a predetermined time period, similar to canceling a check after submitting a check to a vendor." In this regard, the claimed "virtual check" is not equivalent to a debit card.

Moreover, claim 1 sets forth that it must first be determined if a confirmation number indicates a virtual check and then, if it does, "waiting a predetermined time before executing step (h)." Only then, is the confirmation number sent from the vendor server to the billing server if the cancel code (which is part of the virtual check) is not received from the purchaser within the predetermined time. The relationship between this "virtual check," waiting a predetermined period of time, and sending the confirmation number from the vendor server to the billing server, is not taught or suggested by the combination of applied references.

Accordingly, we will not sustain the rejection of independent claim 1, or of claims 2-7, 9 and 23-25, dependent thereon, under 35 U.S.C. § 103.

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Turning now to independent claim 17, we note that this claim makes no mention of a "virtual check" nor does it require the confirmation number to indicate a virtual check or to indicate a cancel code. In fact, the confirmation number and the cancel code do not appear to be related, nor are they required to be related, in claim 17. Similarly, in independent claim 21, the confirmation number and the cancel code are unrelated.

Accordingly, we will sustain the examiner's rejection of claims 17 and 21, and of claims 18, 19, 22 and 26, dependent thereon, under 35 U.S.C. § 103 since, with respect to these claims, the examiner appears to have established a prima facie case of obviousness and appellants' only arguments (virtual check, waiting a predetermined time, and the use of a virtual check as indicated in a confirmation code) are not directed to limitations appearing in claims 17 and 21.

We have sustained the rejection of claims 17-19, 21, 22 and 26 under 35 U.S.C. § 103 but we have not sustained the rejection of claims 1-7, 9 and 23-25 under 35 U.S.C. § 103.

Accordingly, the examiner's decision is affirmed-in-part.

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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

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| ERROL A. KRASS |) | |
| Administrative Patent Judge |) | |
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| JERRY SMITH |) | BOARD OF PATENT |
| Administrative Patent Judge |) | APPEALS AND |
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| ANITA PELLMAN GROSS |) | |
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