

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte WAYNE W. LIN

Appeal No. 2005-0956
Application No. 09/342,866

ON BRIEF

Before HAIRSTON, DIXON, and MACDONALD, *Administrative Patent Judges*.

MACDONALD, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal from the final rejection of claims 1-15 and
17-44. Claim 16 has been canceled.

Invention

Appellant's invention relates to a method and system for determining the price of goods and/or services to be provided from a seller or sellers to a buyer or buyers. Various forms of electronic competition and/or entertainment are used as intermediary activities between said buyers and sellers to ultimately determine a contract price. Sellers offer a product or service within a specified price range, and buyers enter into a contract to buy the product or service within that price range. The ultimate price (within the range) is determined based upon the buyer's performance rating, or score, which the buyer receives from participating in a collateral activity. Thus, if a buyer performs poorly at the activity, the price will be higher, whereas if the buyer does well, the price will be lower. The activity may be a video game (including audio/visual games), electronic board game, crossword puzzle or other word game, sports bet, card game, or any other activity or combination of activities, and may be performed against the seller, a pre-programmed software opponent, a computer opponent, another buyer competing for the same or a different product, a player participating as a player only and not as a buyer, or anyone or anything else. The actual range may be a scaled set of prices (e.g., \$1000.00, \$1100.00, \$1200.00, etc.), or it may be simply a single price, such as a discounted price, for which the buyer will either "win" the contract or "lose", and not be entitled to the product at the specified price, or it may even include a lower boundary of \$0.00, such that the product or

service might be attainable for free if the buyer can achieve a certain performance level while participating in the PDA.

Appellant's specification at page 3, line 8, through page 4, line 4.

Claim 1 is representative of the claimed invention and is reproduced as follows:

1. A method of doing business over a global communications network comprising the steps:

communicating to a buyer via the global communications network, a description of a product;

accepting a first request from the buyer to buy the product for a price to be determined within a price range;

accepting a second request from the buyer to allow the price to be determined based upon a performance of the buyer while participating in a Price-Determining-Activity (PDA);

receiving data from the buyer over the global communications network, said data representing the performance of the buyer during the PDA; and

determining the price of the product based at least partially upon the data received, said price being within the price range and scaled to the performance of the buyer.

References

The references relied on by the Examiner are as follows:

Marino et al. (Marino)	4,850,007	Jul. 18, 1989
Rossides	5,269,521	Dec. 14, 1993
Kelly et al. (Kelly)	5,816,918	Oct. 6, 1998
Goldhaber et al. (Goldhaber)	5,855,008	Dec. 29, 1998

"Allotafun To Develop Extensive Toy Internet Site"; PR Newswire; December 3, 1998; pp 1-2. (Allotafun)

Rockoff et al. (Rockoff); "Design of an Internet-based System for Remote Dutch Auctions"; Internet Research: Electronic Networking Applications and Policy; vol. 5, no. 4; 1995; pp. 10-16.

Rejections At Issue

Claims 1-2, 11-15, 18-19, 25-26, 28, 30, 35-36, 39, and 41 stand rejected under 35 U.S.C. § 103 as being obvious over the combination of Goldhaber and Marino.

Claims 3-4, 6-10, 20-23, 29, 31, and 37 stand rejected under 35 U.S.C. § 103 as being obvious over the combination of Goldhaber and Marino and Rossides.

Claim 5 stands rejected under 35 U.S.C. § 103 as being obvious over the combination of Goldhaber and Marino and Rossides and Allotafun.

Claims 24, 27, 32-34, 38, and 42-44 stand rejected under 35 U.S.C. § 103 as being obvious over the combination of Goldhaber and Marino and Kelly.

Claim 40 stands rejected under 35 U.S.C. § 103 as being obvious over the combination of Goldhaber and Marino and Rockoff.

Claim 17 stands rejected under 35 U.S.C. § 103 as being obvious over the combination of Goldhaber and Marino and Kelly and Rossides.

Throughout our opinion, we make references to the Appellant's briefs, and to the Examiner's Answer for the respective details thereof.¹

¹ Appellant filed a supplemental appeal brief ("the brief" hereinafter) on August 5, 2002, fully replacing the appeal brief filed on January 17, 2002. The Examiner mailed an Examiner's Answer on October 1, 2002.

OPINION

With full consideration being given to the subject matter on appeal, the Examiner's rejections and the arguments of the Appellant and the Examiner, for the reasons stated *infra*, we reverse the Examiner's rejection of claims 1-15 and 17-44 under 35 U.S.C. § 103.

Only those arguments actually made by Appellant have been considered in this decision. Arguments that Appellant could have made but chose not to make in the brief have not been considered. We deem such arguments to be waived by Appellant [see 37 CFR § 41.37(c)(1)(vii) effective September 13, 2004 replacing 37 CFR § 1.192(a)].

Appellant has indicated that for purposes of this appeal, the claims stand or fall together in six groupings:

Claims 1-2, 12-15, 18-19, 26, 28, 30, 35-36, and 41, as Group I;

Claims 11, 25 and 39, as Group II;

Claims 3-4, 6-10, and 20-23, as Group III;

Claims 29, 31, and 37, as Group IV;

Claims 24, 27, 32, 34, 38, and 42-44 as Group V; and

Claim 33 as Group VI.

See page 5 of the brief. Appellant has fully met the requirements of 37 CFR § 1.192 (c)(7) (July 1, 2002) as amended at 62 Fed. Reg. 53169 (October 10, 1997), which was controlling at the time of Appellant's filing of the brief. 37 CFR § 1.192 (c)(7) states:

Grouping of claims. For each ground of rejection which appellant contests and which applies to a group of two or more claims, the Board shall select a single claim from the group and shall decide the appeal as to the ground of rejection on the basis of that claim alone unless a statement is included that the claims of the group do not stand or fall together and, in the argument under paragraph (c)(8) of this section, appellant explains why the claims of the group are believed to be separately patentable. Merely pointing out differences in what the claims cover is not an argument as to why the claims are separately patentable.

We will, thereby, consider Appellant's claims as standing or falling together in the six groups noted above, and we will treat:

- Claim 1 as a representative claim of Group I;
- Claim 11 as a representative claim of Group II;
- Claim 3 as a representative claim of Group III;
- Claim 29 as a representative claim of Group IV;
- Claim 24 as a representative claim of Group V; and
- Claim 33 as a representative claim of Group VI.

Additionally, based on the separate rejections thereof, we will treat:

- Claim 17 as a separate Group VII;
- Claim 5 as a separate Group VII; and
- Claim 40 as a separate Group XI.

If the brief fails to meet either requirement, the Board is free to select a single claim from each group and to decide the appeal of that rejection

based solely on the selected representative claim. *In re McDaniel*, 293 F.3d 1379, 1383, 63 USPQ2d 1462, 1465 (Fed. Cir. 2002). **See also *In re Watts***, 354 F.3d 1362, 1368, 69 USPQ2d 1453, 1457 (Fed. Cir. 2004).

I. Whether the Rejection of Claims 1-2, 12-15, 18-19, 26, 28, 30, 35-36, and 41 Under 35 U.S.C. § 103 is proper?

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the invention as set forth in claims 1-2, 12-15, 18-19, 26, 28, 30, 35-36, and 41. Accordingly, we reverse.

In rejecting claims under 35 U.S.C. § 103, the Examiner bears the initial burden of establishing a *prima facie* case of obviousness. *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). **See also *In re Piasecki***, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984). The Examiner can satisfy this burden by showing that some objective teaching in the prior art or knowledge generally available to one of ordinary skill in the art suggests the claimed subject matter. *In re Fine*, 837 F.2d 1071, 1074, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). Only if this initial burden is met does the burden of coming forward with evidence or argument shift to the Appellant.

Oetiker, 977 F.2d at 1445, 24 USPQ2d at 1444. **See also Piasecki**, 745 F.2d at 1472, 223 USPQ at 788.

An obviousness analysis commences with a review and consideration of all the pertinent evidence and arguments. “In reviewing the [E]xaminer’s decision on appeal, the Board must necessarily weigh all of the evidence and argument.”

Oetiker, 977 F.2d at 1445, 24 USPQ2d at 1444. “[T]he 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).

With respect to independent claim 1, Appellant argues at pages 7-13 of the brief, that Marino is a non-analogous reference. We find this argument unpersuasive. Our review of the Goldhaber and Marino references finds that both are directed to the same field of goods or service price determination based on collateral activity. This is the same field addressed by Appellant.

Appellant argues that his field of invention is the specific field of price determination based on the collateral activity of “competitive or entertainment-based” activity, while Marino is directed to only the very specific field of price determination is based on the collateral activity of “subscriber’s attention” (particularly to advertisements). We find this argument without merit. We find nothing in claim 1 that limits the claim to only “competitive or entertainment-based” activity. Rather, the claim merely recites “a Price-Determining-Activity

(PDA).” Nothing in the claim requires that the PDA be read as competitive or entertainment-based. Further, Appellant’s specification recites at page 3, lines 18-19, that the collateral activity may be “any other activity or combination of activities.” We find that Marino’s collateral activity of listening to advertisements meets the language of claim 1.

Also at pages 14-20 of the brief, Appellant argues that Marino does not teach numerous features required by or inherent to claim 1. These features comprise:

- 1) A direct link between performance of a PDA and the price of the product;
- 2) An uncertain final cost of an item;
- 3) Enhanced cognitive reasoning;
- 4) High-level motor skill participation of the user; and
- 5) Competition and/or entertainment qualities.

Features 2-5 are argued by Appellant to be inherent features of claim 1.

As to the features 2-5, we find Appellant arguments unpersuasive. ”In determining whether the invention as a whole would have been obvious under

35 U.S.C. § 103, we must first delineate the invention as a whole. In delineating the invention as a whole, we look not only to the subject matter which is literally recited in the claim in question . . . but also to those properties of the subject matter which are inherent in the subject matter and are disclosed in the specification . . . Just as we look to a chemical and its properties when we examine the obviousness of a composition of matter claim, it is this invention as a whole, and not some part of it, which must be obvious under 35 U.S.C. § 103.” ***In re Antonie***, 559 F.2d 618, 620, 195 USPQ 6,8 (CCPA 1977) (emphasis in original) (citations omitted).

Appellant points to no language in claim 1, nor do we find language in claim 1, that requires features 2-5 to be inherently included in the claimed invention. Contrast this to ***In re Antonie***, where specific claim language was the basis for including the inherent feature or property. Specifically, the claimed wastewater treatment device had a tank volume to contractor area of 0.12 gal./sq. ft. The court found the invention, as a whole, was the ratio of 0.12 and its inherent property that the claimed devices maximized treatment capacity regardless of other variables in the devices. The prior art did not recognize that treatment capacity was a function of the tank volume to contractor ratio, and therefore the parameter optimized was not recognized in the art to be a result-effective variable.

Finally, we address feature 1) above, Appellant argues that Marino fails to teach “a direct link between performance of a PDA and the price of the product.”

Claim 1, requires that the “said price [be] scaled to the performance of the buyer.” Despite our repeated reviews of the Marino patent, we do not find scaling of the price. Marino teaches that there is a reduced rate for a call (col. 3, line 63) and that the reduced rate may be accumulated over a monthly bill (col. 4, lines 19-20), which we read as a reduced rate for plural calls. However, to meet the “scaled price” limitation of claim 1, the system of Marino would need to teach plural reduced rates for a single call, for example, accumulating separate credits for each advertisement in a set of advertisements (col. 4, lines 53-60) and applying all the credits to reducing the rate of the same call. We find that Marino, without more, does not teach such a scaling feature.

Therefore, we will not sustain the Examiner’s rejection under 35 U.S.C. § 103.

***II. Whether the Rejection of Claims 11, 25, and 39 Under
35 U.S.C. § 103 is proper?***

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the invention as set forth in claims 11, 25, and 39. Accordingly, we reverse.

With respect to dependent claims 11, 25, and 39, we note that the Examiner has relied on the Goldhaber reference to teach “wherein the price is determined at least partially upon participation of the buyer in an auction.” [See the Final rejection at page 6]. Appellant argues this is in error at pages 24-25 of the brief. We find Appellant’s argument unpersuasive. Claim 11 is not restricted as to the type of buyer participation in the claimed auction. In Goldhaber, the buyer (viewer) participates by electing to have advertisers bid for their attention (col. 4, lines 65-66). We find that this disclosure of Goldhaber meets the limitation of determining price based on buyer participation in an auction as recited in claim 11.

We note however, Goldhaber fails to cure the deficiencies of Marino noted above with respect to claim 1. Therefore, we will not sustain the Examiner’s rejection under 35 U.S.C. § 103 for the same reasons as set forth above.

***III. Whether the Rejection of Claims 3-4, 6-10, and 20-23 Under
35 U.S.C. § 103 is proper?***

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the invention as set forth in claims 3-4, 6-10, and 20-23. Accordingly, we reverse.

With respect to dependent claims 3-4, 6-10, and 20-23, Appellant refers back to the arguments present above for claim 1. Therefore, we will not sustain the Examiner's rejection under 35 U.S.C. § 103 for the same reasons as set forth above.

***IV. Whether the Rejection of Claims 29, 31, and 37 Under
35 U.S.C. § 103 is proper?***

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the invention as set forth in claims 29, 31, and 37. Accordingly, we reverse.

With respect to dependent claims 29, 31, and 37, we note that the Examiner has relied on the Allotafun reference to teach the use of video games as part of a promotion/marketing. [See the Final rejection at page 16]. Appellant argues at pages 25-26 of the brief that the rejection fails to show scaling the price to a performance while participating in a video game. We find Appellant's argument unpersuasive. Claim 29 is not restricted as to "the performance" being the performance (or score) in the video game. Rather, claim 29 merely requires that "the PDA is a video game." The Examiner has shown that it is known to provide a price discount based on the performance of attention to advertising, and Allotafun teaches it is beneficial to do advertising in the form of a video game. We find that this disclosure of Allotafun meets the limitation of the PDA is a video game as recited in claim 29.

We note, however, that Allotafun fails to cure the deficiencies of Marino noted above with respect to claim 1. Therefore, we will not sustain the

Examiner's rejection under 35 U.S.C. § 103 for the same reasons as set forth above.

**V. *Whether the Rejection of Claims 24, 27, 32, 34, 38, and 42-44
Under 35 U.S.C. § 103 is proper?***

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the invention as set forth in claims 24, 27, 32, 34, 38, and 42-44. Accordingly, we reverse.

With respect to dependent claims 24, 27, 32, 34, 38, and 42-44, Appellant does not present separate arguments and merely refers back to the arguments present above for claim 1. Therefore, we will not sustain the Examiner's rejection under 35 U.S.C. § 103 for the same reasons as set forth above.

VI. *Whether the Rejection of Claim 33 Under 35 U.S.C. § 103 is proper?*

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the invention as set forth in claim 33. Accordingly, we reverse.

With respect to dependent claim 33, Appellant does not present separate arguments and merely refers back to the arguments present above for claim 1. Therefore, we will not sustain the Examiner's rejection under 35 U.S.C. § 103 for the same reasons as set forth above.

VII. *Whether the Rejection of Claim 17 Under 35 U.S.C. § 103 is proper?*

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the invention as set forth in claim 17. Accordingly, we reverse.

With respect to dependent claim 17, Appellant does not present separate arguments and merely refers back to the arguments present above for claim 1. Therefore, we will not sustain the Examiner's rejection under 35 U.S.C. § 103 for the same reasons as set forth above.

VIII. Whether the Rejection of Claim 5 Under 35 U.S.C. § 103 is proper?

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the invention as set forth in claim 5. Accordingly, we reverse.

With respect to dependent claim 5, Appellant does not present separate arguments and merely refers back to the arguments present above for claim 1. Therefore, we will not sustain the Examiner's rejection under 35 U.S.C. § 103 for the same reasons as set forth above.

IX. Whether the Rejection of Claim 40 Under 35 U.S.C. § 103 is proper?

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the invention as set forth in claim 40. Accordingly, we reverse.

With respect to dependent claim 40, Appellant does not present separate arguments and merely refers back to the arguments present above for claim 1. Therefore, we will not sustain the Examiner's rejection under 35 U.S.C. § 103 for the same reasons as set forth above.

Conclusion

In view of the foregoing discussion, we have not sustained the rejection under 35 U.S.C. § 103 of claims 1-15 and 17-44.

REVERSED

KENNETH W. HAIRSTON)	
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