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

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte BRIAN D. NAULT, ALLEN L. HENDERSON, JAMES J. CROSSMAN
and STEVE D. LARKIN

Appeal No. 2006-0878
Application No. 09/562,206

ON BRIEF

Before OWENS, GROSS, and NAPPI, **Administrative Patent Judges**.

NAPPI, **Administrative Patent Judge**.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134 of the final rejection of claims 1 through 5, 8 through 12 and 15 through 22. For the reasons stated *infra* we affirm-in-part the examiner's rejection of these claims.

THE INVENTION

The invention relates to system for credit origination for customers financing the purchase of a product. See page 3 of appellants' specification. Claim 1 is representative of the invention and is reproduced below:

1. A method of credit origination, comprising the steps of:
receiving an application for credit from a customer to purchase a product sold by a dealer, said application including a first set of information and said application received by a lender, but not by said dealer, said application transmitted over a computer network from a first computer of said customer to a second computer of said lender;
processing said application for credit;
communicating a second set of information from said lender directly to said customer over said computer network, said second set of information including a decision on said application for credit and a set of terms of any credit to be extended to said customer;
assuming one or more obligations corresponding to credit issued under a contract to purchase said product entered into between said customer and said dealer of said product.

THE REFERENCES

The references relied upon by the examiner are:

Andersen et al. (Andersen)	5,774,883	Jun. 30, 1998
Jones et al. (Jones)	5,797,133	Aug. 18, 1998
Dykstra et al. (Dykstra)	5,930,776	Jul. 27, 1999

THE REJECTIONS AT ISSUE

Claims 1, 8, 17, 21 and 22 stand rejected under 35 U.S.C. § 103 as being obvious over Dykstra in view of Jones. Claims 2 through 5, 9 through 12, 15, 16 and 18 through 20 stand rejected under 35 U.S.C. § 103 as being obvious over Dykstra in view of Jones and Andersen. Throughout the opinion, we make reference to the brief and the answer for the respective details thereof.

OPINION

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 brief along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

With full consideration being given to the subject matter on appeal, the examiner's rejections and the arguments of appellants and the examiner, for the reasons stated *infra*, we will not sustain the examiner's rejection of claims 1 through 5, 8 through 12, 15, 16, 21 and 22 under 35 U.S.C. § 103. However, we sustain the examiner's rejection of claims 17 through 20 under 35 U.S.C. § 103.

Rejection of claims 1 and 8.

Appellants argue, on page 6 of the brief, that Jones teaches away from combining the references as asserted by the examiner. Appellants state that independent claims 1 and 8 recite "receiving an application for credit from a customer… said application transmitted over a computer network from a first computer of said customer to a second computer of said lender." Appellants reason that Jones teaches away from this feature as Jones relies upon orally applying for credit over a telephone instead of using a computer because computers may intimidate individual users.

We concur with the appellants' reasoning. Our reviewing court has said "[A] reference may be said to teach away when a person of ordinary skill, upon reading the reference, would be discouraged from following the path set out in the reference, or would be led in a direction divergent from the path that was taken by the applicant. The degree of teaching away will of course depend upon the particular facts; in general, a reference will teach away if it suggests that the line of development flowing from the reference's disclosure is unlikely to be productive of the result sought by the applicant." ***In re Gurley***, 27 F.3d 551, 553, 31 USPQ2d 1130, 1131 (Fed. Cir. 1994) (*citing* ***United States V. Adams***, 383 U.S. 39, 52, 148 USPQ 478, 484 (1966)). However, a reference that "teaches away" does not *per se* preclude a *prima facie* case of obviousness, but rather the "teaching away" of the reference is a factor to be considered in determining unobviousness. ***Id.*** 27 F.3d at 553, 31 USPQ2d at 1132.

Independent claims 1 and 8 recite communication between the customer, using a customer computer, and a lender over a computer network. As appellants assert, we find that Jones teaches that one disadvantage of systems where people enter data by computer is that they may be intimidated by the computer and to overcome this disadvantage a telephone is used to enter data. See column 1, line 66 through column 2, line 10 and column 3, lines 42 through 46. We find that this disclosure of Jones would discourage the skilled artisan from modifying Jones such that the customer would use a computer to transmit a loan application over a computer network. Accordingly, we will not sustain the examiner's rejection of independent claims 1 and 8.

Rejection of claims 2 through 5, 9 through 12, 15 and 16.

Dependent claims 2 through 5, 9 through 12, 15 and 16 stand rejected under 35 U.S.C. § 103 as being obvious over Dykstra in view of Jones and Andersen. The examiner does not assert nor do we find that Andersen cures the deficiencies in the rejection of independent claims 1 and 8 noted above. Accordingly, we will not sustain the examiner's rejection of claims 2 through 5 and 9 through 12, 15 and 16.

Rejection of claim 17.

On page 15 of the brief, appellants argue that Jones teaches away from the claimed invention. Appellants' argument is similar to that presented with respect to claims 1 and 8, however claim 17 does not recite communication between the customer and lender via a computer network. Claim 17, recites: "means for receiving an application for credit from a customer" and "means for communicating a second set of information from said lender directly to said customer." Appellants assert:

> Pursuant to 35 U.S.C. § 112 ¶ 6, this limitation is read to encompass the corresponding structure, and equivalents thereof, disclosed in the specification for performing the function. As set forth in the specification, the corresponding structure comprises a network 12 of computers 14, 16. See Figure 1; page 5, lines 29-32; and page 6, line 11 to page 7, line 3.

We concur with appellants and consider the scope of claim 17 to include a network of computers, however we do not find that claim 17 is limited to only such networks. There are two reasons that we find that the scope of the claim 17 limitations of “means for receiving” and “means for communicating” is broader than just a computer network. First, appellants’ specification states, on page 6:

> Network 12 is provided to allow the exchange of information between a customer applying for credit (to purchase a product) and a prospective lender who may finance the customer’s purchase of the product through a third party. … Network 12 is conventional in the art and may include a pair of computers 14, 16. It should be understood, however, that other conventional telecommunications networks may be used to receive the customer’s credit application and to communicate information between the customer and lender.

Second, claim 21 is depend upon claim 17 and adds the limitation “wherein said means for receiving an application for credit includes a computer network that includes a first computer of said customer and a second computer of said lender.” Claim 22 similarly limits the “means for communicating.” Thus, through the doctrine of claim differentiation, claims 21 and 22 establish the “means for receiving” and “means for communicating” limitations of claim 17 are not limited to a network of computers. Accordingly, we find that the scope of claim 17 is not limited to a network of computers and that appellants’ specification establishes that the scope of the limitations “means for receiving” and “means for communicating” includes a telecommunications network.

As stated *supra*, with respect to claim 1, Jones teaches using a telephone to enter a credit application. Though, as discussed with respect to claim 1, we find that Jones teaches away from using a computer system to enter a credit application, we do not find that claim 17 is so limited. Accordingly, we are not persuaded by appellants' argument that Jones teaches away from the invention of claim 17. We consider that Jones' use of a telephone network meets appellants' claimed "means for receiving" and "means for communicating."

Appellants argue, on page 14 of the brief, that Dykstra teaches a system where the merchant chooses the lender and submits the customer's information to the lender, whereas claim 17 recites that the customer submits the information directly to the lender. Further, appellants point out that Jones does teach that the customer provides the information directly to the lender, however the decision on the application for credit is not communicated directly from the lender to the customer. Appellants further state:

> Jones et al. does note that "[i]n an alternative embodiment, a real-time answer could be provided to the caller by using a voice indexed file …" Col. 8, lines 26-31. In addition to failing to make an enabling disclosure of this embodiment, however, Jones et al again limits the transmission of information so as not to include a computer network as recited in claim 17.

We are not persuaded by these arguments. We find that Jones teaches that the application is communicated from the customer directly to the lender. Jones teaches that the purpose of this is to "minimize the disclosure of sensitive information relating to the potential borrower's ability to obtain a loan." See column 3, lines 51 through 57. Thus, we find evidence of ample motivation to modify Dykstra's system, which requires the customer to communicate with the lender through the merchant, such that the customer submits the application for the loan directly to the lender using a telephone. Further, Jones teaches that the system may include a real time answer to the caller, the customer, concerning the approval status of the loan. See column 8, lines 26 through 31. We note that Jones teaches that the approval process takes about 91 seconds from receipt of the information to providing loan disposition. See column 7, lines 9 through 30. Thus, we find that one of ordinary skill would find the disclosure of audibly providing a real time answer to be enabled. Further, as discussed *supra*, the claim 17 limitation of “means for communicating a second set of information from said lender directly to said customer” is not limited to a computer network but also includes a telephone system.

Appellants assert that the declarations[1] of Allen Henderson provide objective indicia of non-obviousness. Appellants assert that the declarations establish that the claimed invention has established commercial success. See page 16 of the brief. Appellants argue that the examiner’s finding that the evidence is insufficient is in error as appellants assert that the declarations “establish[ed] a clear nexus between use of the present invention and the substantial increase in credit applications submitted.” See page 17 of the brief. Further, appellants state that regarding the nexus between the claims and the device described in the declarations:

> [I]t is not clear what the Examiner wishes Applicants to show. The Attachments [declarations] clearly set forth that the process is the one “described and claimed in the above-identified application.” See Attachment 1[September 8, 2003 declaration of Allen Henderson], Declaration ¶ 2.

[1] Appellants submitted two declarations, received September 8, 2003 and March 1, 2004, from Allen Henderson.

Additionally, appellants argue that the examiner's stated reasons for finding the declaration insufficient are speculative and amount to requiring the appellants to disprove a negative. Appellants citing, ***Demaco Corp. v. F. Von Langsdorff Licensing Ltd***., 851 F.2d 1387, 7 USPQ2d 1222 (Fed. Cir. 1988), argue that appellants are not required to prove that the commercial success was not due to other factors. See brief page 17.

On page 7 of the answer, the examiner cites several reasons that the declarations are considered insufficient to prove commercial success and overcome the examiner's *prima face* case of obviousness. One of the reasons cited by the examiner is: "the declaration[s] describes a 'pre-approval process', but it is not clear on the record that this is commensurate in scope with the pending claims."

We concur with the examiner and do not find that the declarations of Allen Henderson establish that the system asserted to be commercially successful is the claimed system. As our reviewing court has said in ***Demaco Corp. v. F. Von Langsdorff Licencing Ltd***., 851 F.2d 1387, 1392, 7 USPQ2d 1222, 1226 (Fed. Cir. 1988):

> When a patentee asserts that commercial success supports its contention of nonobviousness, there must of course be a sufficient relationship between the commercial success and the patented invention. The term "nexus" is often used, in this context, to designate a legally and factually sufficient connection between the proven success and the patented invention, such that the objective evidence should be considered in the determination of nonobviousness. The burden of proof as to this connection or nexus resides with the patentee. See, e.g., ***Cable Electric Products, Inc. v. Genmark, Inc***., 770 F.2d 1015, 1027, 226 USPQ 881,

> 888 (Fed. Cir. 1985). In meeting its burden of proof, the patentee in the first instance bears the burden of coming forward with evidence sufficient to constitute a prima facie case of the requisite nexus. See ***Texas Dept. of Community Affairs v. Burdine***, 450 U.S. 248, 254 n.7 (1981): The phrase "prima facie case" . . . may be used by courts to describe the plaintiff's burden of producing enough evidence to permit the trier of fact to infer the fact at issue. (citing 9 J. Wigmore, ***Evidence*** §2494 (3d ed. 1940) (hereinafter ***Wigmore***)); E.W. Cleary***, McCormick on Evidence*** §342 (3rd ed. 1984) (hereinafter ***McCormick***): The judge, using ordinary reasoning, may determine that fact A might reasonably be inferred from fact B, and therefore that the party has satisfied his burden [of producing evidence], or as sometimes put by the courts, has made out a "prima facie" case [footnotes omitted original]. A prima facie case of nexus is generally made out when the patentee shows both that there is commercial success, and that the thing (product or method) that is commercially successful is the invention disclosed and claimed in the patent. When the thing that is commercially successful is not coextensive with the patented invention -- for example, if the patented invention is only a component of a commercially successful machine or process -- the patentee must show prima facie a legally sufficient relationship between that which is patented and that which is sold. For example, in ***Hughes Tool Co. v. Dresser Industries, Inc***., 816 F.2d 1549, 1556, 2 USPQ2d 1396, 1402 (Fed. Cir.), cert. denied, 108 S.Ct. 261 (1987).

We do not find that either of the declarations of Allen Henderson presents objective evidence of a nexus between the commercial success and the claimed invention. Allen Henderson's September 8, 2003 declaration states in paragraph number 3: "In August 2001, Ford Motor Credit Company began use of the invention described and claimed in the above-identified application through a 'Preapproval' process that allowed customers to submit an application for credit over a computer network for financing through any authorized Ford Motor Company dealer without requiring the customer to identify a specific dealer." We note that claim 17 is not directed to a "preapproval process" but rather a system where information "including the decision on said application for credit and a set of terms of any credit to be extended to said customer" is communicated directly to the customer. Further, we do not find Allen Henderson's statement that the Ford Motor Company began to use the invention claimed in the application establishes a nexus between the claimed invention and the commercial success. Claim interpretation is a legal finding, ***Cybor Corp. V. FAS Technologies, Inc.*** 138 F.3d 1448, 46 USPQ2d 1169 (Fed. Cir. 1998) as such a statement that the claimed invention was used is necessarily a legal conclusion. We do not find that Allen Henderson's statement provides evidence describing specific details of the system that Ford Motor Company was using in August 2001. Rather, we find Allen Henderson's statement to be a legal conclusion based upon his interpretation of the claim scope and his understanding of the system Ford Motor Company had in place, without providing the facts upon which he bases his conclusion. As Allen Henderson's declarations do not provide facts to support the conclusion that Ford Motor Company began using the claimed invention in August 2001, we do not find the declarations provide evidence to show a nexus between the claimed invention and the commercial success. Accordingly, we find that the appellants have not met the burden of proving commercial success to overcome the examiner's *prima facie* showing that claim 17 is obvious, and we sustain the examiner's rejection.

Rejection of claims 18 through 20.

On pages 19 and 20 of the brief, appellants argue that claims 18 and 20 are dependent upon claim 17 and are allowable for the reasons stated above. Appellants argue that Dykstra and Jones do not disclose the step of "communicating a second set of information <u>directly from said lender to said customer over said computer network</u>" [sic] including a decision on the application and terms of credit."

We are not persuaded by either of these arguments. As discussed *supra,* we are not persuaded by appellants' arguments directed to claim 17. Claims 17 through 20 do not contain limitations directed to communicating a second set of information over a computer network. Further, as discussed *supra*, we find Jones teaches communicating a decision and the terms of the credit to the user in real time over the phone.

Further, appellants argue that claims 18 through 20 recite limitations directed to the request for additional information by the lender. Appellants argue that neither Dykstra nor Andersen teaches this limitation. Appellants argue a search "in Andersen et al. revealed only one instance in which additional information was requested from the customer. In this instance, however the 'F&I Manager' for the dealer requests and receives the information, col. 14, line 52 to col. 15, line 14, which would not include the identity of the dealer because such information is, of course, already known to the 'F&I Manager.'"

We concur with the appellants' admission that Andersen teaches additional information may be requested from the customer. However, we note that appellants' argument is not commensurate with the scope of claim 18 (which we select as the representative claim of this group of claims). Claim 18 recites "means for requesting a fourth set of information from said customer; and means for receiving said fourth set of information from said customer." Appellants have not identified the structure corresponding to these limitations as is required under 37 C.F.R.§ 41.67(c)(v). Further, from our review of the appellants' specification, these limitations appear to correspond to steps 30 and 32 in the flow chart of figure 2, however we find no corresponding structure described in appellants' specification. Accordingly, we find that scope of the limitations is any and all means to request and receive information from the customer. Thus, we find that the "F&I Manager" requesting and receiving information meets this limitation and we sustain the examiner's rejection of claims 18 through 20.

<u>Rejection of claims 21 and 22.</u>

Claims 21 and 22 depend upon claim 17 and further recite the limitation that the "means for receiving an application for credit" and the "means for communicating" include a computer network. As discussed *supra*, with respect to claims 1 and 8, we find that Jones teaches away from such a device. Accordingly, we will not sustain the examiner's rejection of claims 21 and 22.

Conclusion

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 or by filing a reply brief have not been considered and are deemed waived by appellants (see 37 CFR § 41.37(c)(vii)). Support for this rule has been demonstrated by our reviewing court in ***In re Berger***, 279 F.3d 975, 984, 61 USPQ2d 1523, 1528-1529 (Fed. Cir. 2002) wherein the Federal Circuit stated that because the appellants did not contest the merits of the rejections in his brief to the Federal Circuit, the issue is waived***. See also In re Watts***, 354 F.3d 1362, 1368, 69 USPQ2d 1453, 1458 (Fed. Cir. 2004).

In summary, we sustain the examiner's rejections of claims 17 through 20 under 35 U.S.C. § 103. However, we will not sustain the examiner's rejections of claims 1 through 5, 8 through 12, 15, 16, 21 and 22 under 35 U.S.C. § 103. The decision of the examiner is affirmed-in-part.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a)(1)(iv).

AFFIRMED-IN-PART

TERRY J. OWENS Administrative Patent Judge	)	
	)))	BOARD OF PATENT
ANITA PELLMAN GROSS Administrative Patent Judge	))	APPEALS AND INTERFERENCES
	)))	
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