

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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Ex parte JAMES J. TURK

Appeal No. 2006-1874  
Patent No. 5,671,364  
(Reexamination Control Number 90/006,351)

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HEARD August 7, 2006

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Before BARRETT, LEE and MEDLEY, Administrative Patent Judges.

LEE, Administrative Patent Judge.

**DECISION ON APPEAL**

This is a decision on appeal under 35 U.S.C. ' 134 and ' 306 from the examiner=s final rejection of the patentee=s claims 1-16. Oral argument was heard on August 7, 2006.

**References relied on by the examiner**

Marks ("Marks")	5,117,356	May 26, 1992
United States Gold Certificate ("Gold Certificate")		September 1, 1882

**The rejection on appeal**

Claims 1-16 stand rejected under 35 U.S.C. ' 103 as being unpatentable over the Gold Certificate and Marks.

**The Invention**

The invention is directed to a system and method for conducting financial transactions in units of a stored commodity. There is a deposit site having secure facilities for storage of a commodity. An inventory of a valuable commodity is stored at the secure facility and a quantity

of units of the commodity is held for the account of one identified person. For the apparatus invention, there is a computer system for processing accounting transactions denominated in units of the stored commodity; there is an account data storage device for recording data comprising an identification of persons and a quantity of units of the commodity credited to the account of each person and an identification of the deposit site; and there is a transaction data storage device for receiving records of transactions denominated in units of the stored commodity from a person having a credit in his or her associated account. The transaction records include identification of a person who will receive a debit, a person who will receive a credit, an amount of the debit in units of the stored commodity, the amount of the credit in units of the stored commodity, and identification of the deposit site where the debited and credited quantities are held. There is a transaction posting device for posting records of transactions to update the balance in each person's account, and a remote terminal at the deposit site for sending and receiving data to the computer system, which data identifies a person and a quantity of units of the stored commodity held for an account of that person. The system is said to permit the conducting of financial transactions without reliance on national currencies whereby obligations of a person receiving a debit to another person receiving a credit are extinguished upon posting of the records of transactions. The process invention includes steps corresponding to the functions carried out by the various elements of the apparatus invention.

According to the patentee, the invention eliminates payment risks. Relying on a declaration of co-inventor James J. Turk, the patentee in its appeal brief describes several types of payment risks associated with conventional non-asset-based instruments. First, there is payment risk caused by fractional banking, which happens when banks keep on deposit only a fraction of the assets they are holding for the account of their depositors and lend out or invest

the remainder. If the banks make bad loans or suffer losses in their investments, they may not have enough assets to cover payment checks drawn by its depositors. Second, there is payment risk arising from the fluctuating value of national currencies relative to each other. For instance, payment made in one currency may change in value before it has been converted to a different currency for the payee. Third, there is a payment risk commonly known as “settlement risk” or “Herstatt risk.” It occurs when one party pays out the currency it has sold but does not immediately receive the currency it has bought. The risk lasts from the time a unilateral rescission of the currency sold is not possible any more until the time the currency received is received irrevocably. The patentee’s specification discusses risks from fractional banking.

Claims 1, 9 and 13 are the only independent claims. Claims 1 and 13 are reproduced below:

1. An electronic commodity based system for conducting financial transactions, comprising:
  - at least one deposit site having secure facilities for storage of a commodity;
  - an inventory of a valuable commodity stored in said secure facilities at a said deposit site, said inventory including a quantity of units of said valuable commodity held at said deposit site for an account of at least one identified person;
  - a computer system for processing data for accounting transactions denominated in said units of said commodity, having
    - (a) an account data storage device for recording data comprising an identification of persons and a quantity of units of said commodity credited to said account of each of said persons and an identification of said deposit site where said units of commodity are held,

(b) a transaction data storage device for receiving records of transactions denominated in units of said commodity from a said person identified as having a quantity of said units of said commodity credited to said account of said person, said records of transactions including at least an identification of a person who will receive a debit, a person who will receive a credit, an amount of a debit of a quantity of said units of said commodity held at a deposit site, an amount of a credit of a quantity of said units of said commodity held at a deposit site, and an identification of the deposit site where said quantity of said units of said commodity are held,

(c) a transaction posting device for posting said records of transactions to said account data storage device to update said data comprising an identification of persons and a quantity of units of said commodity credited to said account of said persons at an identified deposit site;

a remote terminal located at said deposit site for receiving and sending data to said computer system, said data identifying a person and a quantity of units of said commodity held at said deposit site for an account of said person;

said electronic commodity based system permitting persons to conduct financial transactions without reliance on national currencies in conducting said financial transactions whereby obligations, of a person receiving a said debit of said units of said commodity held at a deposit site, to another person receiving a said credit of said units of said commodity held at a said deposit site, are extinguished upon posting of said records of transactions, thereby eliminating payment risk.

13. A method of accounting, using a valuable commodity as a deposit currency, implemented by a computer system, comprising the steps of:

creating a deposit account data file for each of a plurality of persons, each said deposit account data file identifying a person, and a number of units of commodity stored at a deposit site for the benefit of the person;

entering records of transactions denominated in units of said commodity, said records of transactions including at least an

identification of a person who will receive a debit, a person who will receive a credit, the amount of such debit in units of said commodity, the amount of such credit in units of said commodity, and the identity of the deposit site,

posting said records of transactions to debit and credit the deposit account data files of said persons to update said data identifying a number of units of said commodity held for the account of each said person;

said method permitting persons to conduct financial transactions without reliance on national currencies in conducting said financial transactions whereby obligations, of a person receiving a said debit of said units of said commodity held at a deposit site, to another person receiving a said credit of said units of said commodity held at a said deposit site, are extinguished upon posting of said records of transactions, thereby eliminating payment risk.

#### **Discussion**

A. The rejection of claims 1-16 over Marks and the Gold Certificate for obviousness

The patent owner argues independent claims 1, 9 and 13 as a group. We will specifically discuss only claim 13. As for the dependent claims, the patent owner separately argues only claims 6, 7 and 10, and only on the basis that those claims “specify a remote access means by which a system user can access the system and submit transactions” (Brief at p.16).

An obviousness determination under 35 U.S.C. § 103 must be based on the underlying factual inquiries of (1) the scope and content of the prior art; (2) the differences between the claimed invention and the prior art; (3) the level of ordinary skill in the art; and (4) secondary considerations of nonobviousness. Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966). As explained below, the examiner incorrectly determined the differences between the patent owner’s claimed invention and Marks. The rejection cannot be sustained.

Marks discloses an automatic ledger account maintenance system for use with a double entry bookkeeping or accounting system. (Column 3, lines 56-58). It provides an accounting system for performing double-entry recordkeeping tasks and providing information concerning the ledger accounts “of the entity whose accounts are maintained with the system” (Column 3, lines 28-31). It is important to note that all of the ledger accounts involved in the double entry bookkeeping are those of the same entity using the automated account maintenance system, albeit that many entities may use the system. We agree with the following description of Marks which appears on page 9 of the patent owner’s appeal brief:

Marks, U.S. Patent 5,117,356 discloses an automated accounting package which uses traditional double entry bookkeeping in a software package, and which is provided with an authorization code control means to provide means for tracking changes to data records and for prevent posting of data by unauthorized personnel. The Marks patent is intended for use as a bookkeeping system to be used by a company to keep its accounts. It does not provide any sort of vehicle for executing a payment, much less a system for making a payment among account holding system members. It does not disclose a system for remote access where a user might connect to the system via a network to request a payment transaction to another person who has an account within the system. The disclosure of Marks is concerned solely with creating and maintaining data records which comprise the general ledger and subledgers of a company. It does not disclose or suggest any payment system or any other system for transfer of consideration between different entities.

The examiner incorrectly found that Marks discloses creating a deposit account data file for each of a plurality of persons where each deposit account data file identifies a person. The portions of Marks cited by the examiner are directed to the ledger and subledger accounts of the same entity. Similarly, the examiner incorrectly found that Marks discloses entering transaction records including identification of a person who will receive a debit, a person who will receive a credit, and the amounts of such debit and credit. The portions of Marks cited by the examiner are directed to the ledger and subledger accounts of the same entity. Also, the examiner

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incorrectly found that Marks discloses posting the transactions records to debit and credit the account data files of respective persons to update the data for the account of each person. The portions of Marks cited by the examiner are directed to the ledger and subledger accounts of the same entity. While the patent owner's claimed invention is directed to payment transactions between different account holders, Marks is directed to accounting transactions within the same entity to keep records of all kinds including payments, obligations owed and obligations due. Marks is not directed to the actual performance of payment transactions involving the accounts of separate entities, but with maintaining all kinds of accounting records within the same entity.

On page 9 of the answer, the examiner states:

At page 9, Appellant discusses Marks. Appellant asserts that Marks has no provision for payment, yet the reference clearly shows payment transactions at Col. 4, lines 49-52, and Col. 9, line 31 to Col. 10, line 37.

We have reviewed the portions of Marks cited in the above-quoted text. They do refer to payments but only from the perspective of accounting and bookkeeping within one entity, not in the context of debiting one person's account and crediting another person's account and posting of the same accounts as have been claimed. Marks does not implement payment transactions between two account holders but merely records a payment or potential payment from one side. The examiner has not pointed to any disclosure of Marks that debits the account of one person, credits the account of another person for the same amount, and posts the resulting balances.

For the foregoing reasons, the examiner incorrectly determined the differences between the claimed invention and Marks. It is not necessary to consider the disclosure of the Gold Certificate. The examiner's rejection of claims 1-16 as unpatentable over Marks and the Gold Certificate cannot be sustained. In any event, the Gold Certificate is a bearer instrument and the

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identity of the bearer is not registered as an account holder anywhere. The deficiencies of Marks are not made up by the Gold Certificate.

B. New ground of rejection

Claims 13-16 are herein rejected over the combined teachings of (1) the operation of the gold vault of the federal reserve system, located in the Federal Reserve Bank of New York, and (2) patent owner's admitted prior art. As evidence of the operation of the Federal reserve's gold vault, we rely on the following internet article: Federal Reserve Bank of Minneapolis, The Region: The World's Goldkeeper (1991), available at <http://minneapolisfed.org/pubs/region/91-12/reg9112b.cfm> (last visited Nov. 30, 2006) ("1991 Federal Reserve article"). As for the admitted prior art, we rely on the representation of patent owner's counsel during oral argument that there is nothing novel about implementing a payment from one account to another account within the same institution or network by way of a proposed debit for one account for the payment amount, a proposed credit for another account for the same amount, and a subsequent posting of the proposed debit and credit to effect the payment or transfer of assets as of the date of the posting. In other words, the debiting, crediting, and posting are all in accordance with established and conventional practice in financial transactions between account holders in the same institution or network. According to counsel for the patent owner, it is the stored inventory of commodity for each account holder, forming the units of that which is debited, credited, and posted in a payment transaction, which is novel, not that there is debiting, crediting, and posting.

The following numbered findings are based on the 1991 Federal Reserve article: (1) The federal reserve system operates a gold vault located in Manhattan within the secure facilities of the Federal Reserve Bank of New York; (2) foreign nations or central banks have gold stored in the gold vault of the federal reserve and thus have respective gold deposit accounts at the federal

reserve; (3) each foreign nation's inventory of gold deposit is stored in a separate compartment within the gold vault of the federal reserve; and (4) from time to time, payment transactions are made from one foreign country to another, in gold, by instructing the federal reserve to move an appropriate amount of gold from the payer nation's compartment to the payee nation's compartment within the gold vault. According to the 1991 Federal reserve article, page 1:

Having gold deposited in the trade and financial capital of the world's largest economy enables international payments to be made easily, quickly and inexpensively. The ability to make gold transfers between nations within the confines of the vault merely by moving bars from the compartment of one country to another was a major attraction.

Claim 13 recites a step of creating a deposit account data file for each of a plurality of persons. Each file identifies a person and there is a deposit site at which is stored a number of units of a commodity for that person. In the context of the patent owner's specification, the term "person" is sufficiently broad to cover non-natural persons. Not once does the specification mention any "natural person." It appears that "persons" in the context of the patent owner's specification can be individuals, corporations, or other entities that are clients of the clearing house illustrated in Figure 1 (Column 4, lines 1-6). Consequently, foreign countries which have respective inventories of gold at the federal reserve bank are "persons" satisfying the claim recitation. We take official notice that at the federal reserve bank there exists a deposit account data file for each foreign country that has a gold deposit in the federal reserve's gold vault, which identifies the foreign country and the amount of gold held on deposit for that country.

Claim 13 recites a step of entering transaction records denominated in units of the stored commodity, where the records identify the person receiving a debit, a person receiving a credit, the amount of such debit and credit, and the identity of the deposit site. Given that it is admitted prior art that in a payment transaction from one account to another within the same institution or

network there is first a proposed debit to one account and a corresponding proposed credit to another account, and then a subsequent posting to reflect the results of the debiting and crediting, it would have been obvious to one with ordinary skill in the art to do so in a system set up just the same as that provided by the federal reserve, and to provide transaction records for the proposed debiting and crediting as claimed. The records would have been desirable for purposes of auditing and making sure that the correct amount of the commodity was transferred or that the correct payment was made. We further take official notice that the federal reserve keeps transaction records of the amount of gold to be debited from one account and credited to another account as well as the identity of the accounts.

As for the record's including the identity of the deposit site, based on the level of ordinary skill in the art,<sup>1</sup> as is reflected by the prior art references Marks and U.S. Patent No. 5,453,601,<sup>2</sup> we find that whether or not the transaction record includes a reference to the location of the deposit site is matter of ordinary selection for the person of ordinary skill in the art. Marks reveals that one with ordinary skill would have known track accounting records on transactions, e.g., account number and name, transaction date and amount (Marks, Column 11, lines 21-30). In the context of a transaction requiring physical transfer of real gold in a secure storage facility, the location of the deposit site where the gold is held and the transfer takes place would be readily recognized as a pertinent information to record. If the location of the deposit site is

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<sup>1</sup> The level of ordinary skill in the art is evidenced by the references. See *In re Oelrich*, 579 F.2d 86, 91, 198 USPQ 210, 214 (CCPA 1978) ("the PTO usually must evaluate both the scope and content of the prior art and the level of ordinary skill solely on the cold words of the literature"); *In re GPAC Inc.*, 57 F.3d 1573, 1579, 35 USPQ2d 1116, 1121 (Fed. Cir. 1995) (the Board did not err in adopting the approach that the level of skill in the art was best determined by the references of record); *Okajima v. Bourdeau*, 261 F.3d 1350, 1355, 59 USPQ2d 1795, 1797 (Fed. Cir. 2001) ("[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error 'where the prior art itself reflects an appropriate level and a need for testimony is not shown.'").

<sup>2</sup> On August 13, 2006, in response to an order from the board for the patent owner to identify the closest prior art in the record the patent owner sent in a response specifically identifying a single reference, U.S. Patent No. 5,453,601, filed November 15, 1991.

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identified in the record, it is one piece of information that a potential reader of the record need not have memorized or further inquire and investigate. On the other hand, the location of the deposit site may not be information that should be made so readily accessible, if compromising security is of substantial concern. The choice is within the discretion of one with ordinary skill in the art to make, depending on the circumstance. Note that the person with ordinary skill in the art is presumed to be skilled. See In re Sovish, 769 F.2d 738, 743, 226 USPQ 771, 774 (Fed. Cir. 1985) (“[Applicant’s] argument presumes stupidity rather than skill”). A conclusion of obviousness may be made “from common knowledge and common sense of the person of ordinary skill in the art without any specific hint or suggestion in a particular reference”. In re Bozek, 416 F.2d 1385, 1390, 163 USPQ 545, 549 (CCPA 1969).

Claim 13 recites a step of posting the transaction records to debit and credit the respective accounts to update the information regarding the number of units of the commodity held in the accounts of each person involved in the transaction. Given that it is admitted prior art that in a payment transaction from one account to another within the same institution or network there is a proposed debit to one account and a corresponding proposed credit to another account, and then a subsequent posting to reflect the results of the debiting and crediting, it would have been obvious to one with ordinary skill in the art to do so in a system set up just the same as that provided by the federal reserve, and to post the transaction records to carry out the transfer. The level of ordinary skill in the art is reflected by Marks and U.S. Patent No. 5,453,601.

Claim 13 further recites:

said method permitting persons to conduct financial transactions without reliance on national currencies in conducting said financial transactions whereby obligations, of a person receiving a said debit of said units of said commodity held at a deposit site, to another person receiving a said credit of said units of said commodity held at a said deposit site, are extinguished upon posting of said records of transactions, thereby eliminating payment risk.

Those properties and characteristics are precisely those resulting from a combination of the patent owner's admitted prior art and operation of the gold vault of the federal reserve, as already explained above. Payment risk is eliminated in exactly the same manner the patent owner describes the risk as being eliminated by the patent owner's invention. We note only that the preamble of claim 13 recites that the overall accounting method is implemented by a computer system. None of the particular steps within the body of claim 13, however, requires a computer or any electronics. In any event, given the level of ordinary skill in the art as is reflected by Marks and U.S. Patent No. 5,453,601, one with ordinary skill in the art would have known that accounting and record keeping steps may be carried out by a computer system.

Claim 14 depends from claim 13 and recites that the commodity is precious metal. Claim 15 depends on claim 14 and recites that the precious metal comprises gold. Note that the commodity held on deposit in the gold vault of the federal reserve is gold, a precious metal. Claim 16 depends from claim 14 and recites that the precious metal comprises silver. One with ordinary skill in the art would have known that both gold and silver are precious metals that have historically circulated as currency, and thus silver can be an alternative to gold in the context of a commodity-based deposit currency such as that in the claimed invention. Note that the patent owner's specification in the background portion specifically states that in the historical past, precious metals circulated as currency.

We have considered the patent owner's assertion of secondary considerations but find it insufficient to rebut the prima facie case of obviousness. In that connection, the patentee states (Brief at 17):

[T]here have been a number of spectacular bank failures giving rise to payment risks such as the Herstatt risk. There was thus a long felt but unresolved need for a commercial payment system which was not subject to payment risk. This need

was not solved by any system prior to the invention of the patent in reexamination, and certainly the cited Marks and Gold certificate references do not solve this problem.

Additionally, the Examiner's rejection also ignores the commercial success of the Patent Owner's working commercial payment system accessible via an online website found at <http://www.goldmoney.com/>, which has been in continuous operation since February 2001 and as of April 30, 2004 held 1,255,672 grams of gold on deposit, representing over US \$ 16 million of asset-based electronic currency in circulation. The amount of currency in circulation in this system has been increasing since the date the Declaration [declaration of James J. Turk dated April 30, 2004] was submitted and its commercial success continues to grow. Due recognition of the Patentee's commercial success, and the long felt but unsolved needs for a commercial payments system which was not subject to the described types of payment risk also mandate a conclusion of non-obviousness.

The declaration of James J. Turk, a co-inventor, dated April 30, 2004, and submitted during reexamination of the patent at issue, refers to a 1974 failure of a small foreign exchange trading bank in Germany, Bankhaus Herstatt, a 1990 failure of Drexel Burnham Lambert, a 1991 failure of the Bank of Credit and Commerce International (BCCI), and a 1995 failure of the Barings Bank. Four bank failures in a period of approximately thirty (30) years prior to filing of the application does not seem to present a substantial problem. Moreover, the patentee provides no factual detail about the operation and failure of each of the referenced banks. It is not known whether the banks failed simply because of poor investments within the range of permissible investments established by rules governing the operation of those banks or because of intentional or criminal mischief in violation of the applicable rules. If it were the latter, the bank failures are not pertinent, for even the patentee's invention cannot guard against intentional or criminal mischief. For instance, despite all operating procedures to the contrary, personnel running the secure facility for storing the commodity may nonetheless still make use of the commodity and subject depositors to a payment risk. Note further that the declaration of James J. Turk refers to

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the failure of the Bank of Credit and Commerce International (BCCI) as a “scandal.” That suggests something sinister and out of the ordinary insofar as the operation of BCCI is concerned. Furthermore, the declaration of James J. Turk does not refer to, document, or otherwise discuss any failed attempt by those in the banking industry to solve the alleged long felt problem. On this record, the patentee has not established that payment risk of payments made through banks represents a long felt but unresolved need in the banking industry or that others in the banking industry have made genuine efforts to solve the alleged problem, but without success. The patentee has not even revealed what was attempted that failed to provide an adequate solution.

In any event, it appears that a solution to the payment risk problem discussed by the patent owner has already been provided by way of the manner of operation of the gold vault of the federal reserve system. The declaration of James J. Turk does not discuss the operation of the gold vault of the federal reserve system with regard to whether it eliminates payment risk.

As for commercial success, the Court of Appeals for the Federal Circuit stated, In re Huang, 100 F.3d 135, 139-140, 40 USPQ2d 1685, 1689 (Fed. Cir. 1996):

In the ex parte process of examining a patent application, however, the PTO lacks the means or resources to gather evidence which supports or refutes the applicant's assertion that the sales constitute commercial success. Consequently, the PTO must rely upon the applicant to provide hard evidence of commercial success.

The patent owner proffers the declaration of James J. Turk, a co-inventor, dated April 30, 2004, as supporting evidence for the alleged commercial success. In that regard, paragraph 6 of the declaration states:

6. The patented invention has been implemented as a working commercial payment system accessible via an online website found at <http://www.goldmoney.com/> (see printouts attached as Exhibit B). This system has been in continuous operation since February 2001 and presently holds

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1,255,672 grams of gold on deposit (see printout of <http://goldmoney.com/en/bar-count.html> (copy attached as Exhibit C)), representing over US\$16 million of asset-based electronic currency in circulation. The amount of currency in circulation in this system has been steadily increasing.

Commercial success is not proved simply by sales figures. "This court has noted in the past that evidence related solely to the number of units sold provides a very weak showing of commercial success, if any." Huang, 100 F.3d at 140, 40 USPQ2d at 1689; Kansas Jack, Inc. v. Kuhn, 719 F.2d 1144, 1151, 219 USPQ 857, 861 (Fed. Cir. 1983) (determination of obviousness not erroneous where (1) the evidence of commercial success consisted solely of the number of units sold; and (2) there was no evidence of market share, of growth in market share, of replacing earlier units sold by others or of dollar amounts, and of a nexus between sales and the merits of the invention.). The amount of gold grams held in the patentee's payment system, even if steadily increasing, does not demonstrate commercial success. It is unknown whether the numbers are big or small in the market for such commodity-based currency. It is also not known how such numbers compare with the extent gold or other commodity certificates were or have been in use for payments, in market share and variations in market share. Moreover, it would appear that the proper comparison should be with respect to the total amount of currency in circulation, whether commodity-based or not, and the patent owner has not provided such data.

Also, it is not certain whether the patentee's sales numbers are due to price, advertising, availability, or other factors unrelated to the merits of the claimed invention. A "nexus" is required between the merits of the claimed invention and the evidence of secondary considerations in order for the evidence to be given substantial weight in an obviousness decision. See Stratoflex Inc. v. Aeroquip Corp., 713 F.2d 1530, 1539, 218 USPQ 871, 879 (Fed. Cir. 1983). "Nexus" is a legally and factually sufficient connection between the objective evidence and the claimed invention, such that the objective evidence should be considered in the

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determination of nonobviousness. See Demaco Corp. v. F. Von Langsdorff Licensing Ltd., 851 F.2d 1387, 1392, 7 USPQ2d 1222, 1226 (Fed. Cir. 1988). The burden of showing nexus is on the applicant or the patent owner. In that connection, it is noted that the printout submitted by the patentee for the “goldmoney.com” website contains the following description:

Goldmoney is based upon 3 patents awarded for its concepts and breakthrough technology. Managed by former Morgan Stanley and Chase Manhattan Executives, Goldmoney works closely with partners to ensure reliability and security for your gold. [Emphasis in original]

Insofar as the commercial system is based on the invention of three different patents, the patentee has failed to establish the necessary nexus between the alleged commercial success and the subject matter of claim 1 of the underlying patent in this appeal. The patentee does not describe the specifics of the payment system provided through the Internet website at goldmoney.com. Nexus cannot be presumed but must be established. Even a mere conclusory assertion that there is nexus between the merits of the claimed invention and the alleged commercial success would not be persuasive. See Huang, 100 F.3d at 140, 40 USPQ2d at 1690 ("Huang's affidavit contains a conclusory assertion that, in his opinion, the sales of the grips derive from the increased thickness of the polyurethane layer and the alignment of the pores. This merely represents the inventor's opinion as to the purchaser's reason for buying the product, and, alone is insufficient. Instead, the applicant must submit some factual evidence that demonstrates the nexus between the sales and the claimed invention - for example, an affidavit from the purchaser explaining that the product was purchased due to the claimed features.").

For the foregoing reasons, the patentee's arguments based on secondary considerations as objective indicia of nonobviousness are not persuasive and are insufficient to rebut the prima facie case of obviousness.

**Conclusion**

The rejection of claims 1-16 as unpatentable under 35 U.S.C. § 103 for obviousness over Marks and the Gold Certificate is **reversed**.

Claims 13-16 are herein rejected for obviousness under 35 U.S.C. § 103 over the combined teachings of (1) the patent owner's admitted prior art, and (2) the operation of the gold vault of the federal reserve system. We further recommend that upon return of this case to the jurisdiction of the primary examiner, the examiner consider the patentability of claims 1-12 over (1) the patent owner's admitted prior art, (2) the operation of the gold vault of the federal reserve system, and (3) any other prior art known to the examiner, as appropriate. Means-plus-function elements must be construed according to the requirements of 35 U.S.C. § 112, sixth paragraph, for any claim containing a means-plus-function element.

The decision also contains a new ground of rejection pursuant to 37 CFR § 41.50(b) (effective September 13, 2004, 69 Fed. Reg. 49960 (August 12, 2004), 1286 Off. Gaz. Office 21 (September 7, 2004)).

37 CFR § 41.50 (b) provides "[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review."

37 CFR § 41.50(b) also provides that the appellant, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

(1) *Reopen prosecution*. Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner....

(2) *Request rehearing*. Request that the proceeding be reheard under § 41.52 by the Board upon the same record....

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REVERSED

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LEE E. BARRETT	)	
Administrative Patent Judge	)	
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_____	)	BOARD OF PATENT
JAMESON LEE	)	APPEALS AND
Administrative Patent Judge	)	INTERFERENCES
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Administrative Patent Judge	)	

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