

The opinion in support of the decision being entered today
is *not* binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte LARRY J. KANE

Appeal 2006-3331
Application 10/829,797
Technology Center 3600

Decided: September 12, 2007

Before HUBERT C. LORIN, LINDA E. HORNER, and ANTON W. FETTING,
Administrative Patent Judges.

HORNER, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

Larry J. Kane (Appellant) seeks our review under 35 U.S.C. § 134 of the final rejection of claims 1-8 and 15-27. Claims 9-14 have been withdrawn from consideration. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We AFFIRM and REMAND.

THE INVENTION

The Appellant's claimed invention is to a method and apparatus for preventing check fraud. Claim 1, reproduced below, is representative of the subject matter on appeal.

1. A method for preventing check fraud, the method comprising the steps of:
 - establishing personal identification access information for a checking account;
 - transmitting the checking account information and the personal identification access information over an electronic network from a first location to an independent third party service provider;
 - comparing the transmitted information with stored checking account information and stored personal identification access information at the service provider for verification; and
 - transmitting a verification signal over an electronic network from the service provider to the first location.

THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Creekmore	US 4,187,498	Feb. 5, 1980
Braun	US 4,321,672	Mar. 23, 1982

Appeal 2006-3331
Application 10/829,797

Abecassis	US 5,426,281	Jun. 20, 1995
Walker	US 6,193,155 B1	Feb. 27, 2001
Tedesco	US 6,282,523 B2	Aug. 28, 2001
Dahl	US 6,321,201 B1	Nov. 20, 2001
Sunderji	US 2003/0236728 A1	Dec. 25, 2003
McNeal	US 6,728,397 B2	Apr. 27, 2004

The following rejections are before us for review:

1. Claims 1 and 18 stand rejected under 35 U.S.C. § 103(a) as unpatentable over McNeal, Braun, and Abecassis.¹
2. Claims 2, 17, and 19 stand rejected under 35 U.S.C. § 103(a) as unpatentable over McNeal and Abecassis.²

¹ The addition of Abecassis to this rejection appears for the first time in the Examiner's Answer (Answer 3). Although an Examiner's Answer may contain a new ground of rejection, 37 C.F.R. § 41.39(a)(2) (2006), any such new ground of rejection must be approved by a Technology Center Director or designee and prominently identified in the "Grounds of Rejection to be Reviewed on Appeal" section and the "Grounds of Rejection" section of the Answer. See MPEP § 1207.03. In the interest of expediency, and because the Appellant addressed Abecassis on pages 6-7 of his Reply Brief and was thus afforded an opportunity to respond to this new ground of rejection, we will not remand the case to the Examiner for correction.

² We do not understand how the Examiner can reject dependent claims based on fewer than all of the references used to reject the corresponding independent claims, since the dependent claims include all of the limitations in the independent claims from which they depend. In particular, the Examiner relied on Braun for the rejection of independent claims 1, 15, 18, and 24, but failed to include Braun in the list of references relied upon for rejection of dependent claims 2-8, 16, 17, and 19-23. The Appellant failed to raise this issue in their briefs, and since we do not find it necessary to rely on the teachings of Braun to affirm the rejections of independent claims 1, 15, 18, and 24, this error on the part of the Examiner is

3. Claims 3, 16, and 20 stand rejected under 35 U.S.C. § 103(a) as unpatentable over McNeal, Abecassis, and Sunderji.
4. Claim 15 stands rejected under 35 U.S.C. § 103(a) as unpatentable over McNeal, Abecassis, Sunderji, and Braun.
5. Claims 4, 5, and 21 stand rejected under 35 U.S.C. § 103(a) as unpatentable over McNeal, Abecassis, and Tedesco.
6. Claims 6 and 22 stand rejected under 35 U.S.C. § 103(a) as unpatentable over McNeal, Abecassis, and Dahl.
7. Claim 7 stands rejected under 35 U.S.C. § 103(a) as unpatentable over McNeal, Abecassis, and Walker.
8. Claims 8 and 23 stand rejected under 35 U.S.C. § 103(a) as unpatentable over McNeal, Abecassis, and Creekmore.
9. Claim 24 stands rejected under 35 U.S.C. § 103(a) as unpatentable over McNeal, Braun, Tedesco, and Abecassis.

ISSUES

The issues before us are:

(1) whether the Appellant has shown that the Examiner erred in determining that one having ordinary skill in the art at the time the invention was made would have been led, in view of the prior art, to a method and apparatus for preventing check fraud that transmits checking account information and personal

found to be without consequence in this case.

identification access information over an electronic network from a first location to an independent third party service provider (independent claims 1, 15, 18, and 24);

(2) whether the Appellant has shown that the Examiner erred in determining that one having ordinary skill in the art at the time the invention was made would have been led to substitute a confidential personal identification number in place of McNeal's biometric data, in view of the teaching in Abecassis to use personal identification numbers for verification (claims 2, 17, 19, and 24); and

(3) whether the Appellant has shown that the Examiner erred in determining that one having ordinary skill in the art at the time the invention was made would have been led to use a voice-response unit over the phone line of McNeal for entering check data and access data, as taught by Tedesco (claim 24).

FINDINGS OF FACT

We find that the following enumerated findings are supported by at least a preponderance of the evidence. *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427, 7 USPQ2d 1152, 1156 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

1. The Appellant's Specification does not provide any definition of the phrase "personal identification access information." In fact, the Appellant's Specification does not use this phrase at all.
2. Rather, the Specification uses the phrase "personal identification information" (Specification, *passim*) and describes in one example that

this information may be a personal identification number or PIN (*See e.g.*, Specification 6:22-23 and 8:4-6).

3. The Specification does not include any definition of “service provider.”
4. McNeal discloses credit approval systems at the point of sale which use biometric data, such as fingerprints, to ascertain if the identity of the person attempting to pay by a check is an authorized person for that particular checking account so as to minimize the risk of a retailer accepting a bad check (McNeal, col. 1, ll. 13-18 and col. 3, ll. 25-27).
5. In particular, McNeal discloses a check verification unit 10 in communication with a main system 12 which includes an identification database 14 (McNeal, col. 4, ll. 2-3).
6. The check verification unit 10 includes, at least, a check scanner 16 and a biometric data-gathering device, such as a fingerprint recording device 18 (McNeal, col. 4, ll. 18-20).
7. The check verification unit 10 is a computer platform that receives, digitizes, and processes the incoming data from the various scanning devices for transmission to main system 12 (McNeal, col. 4, ll. 57-60).
8. In one embodiment, the check verification unit transmits the data from the various devices to a main database via a phone line or a reserved data line (McNeal, col. 5, ll. 35-36).
9. McNeal describes that in one embodiment a check is swiped and a fingerprint is simultaneously taken and digitized and the combined data is transmitted to the main system, which uses a check information

database and a biometric database to compare the transmitted data with data already on file (McNeal, col. 2, ll. 29-34).

10. The main system determines if the identification data of an authorized user on file matches with the transmitted data from the customer at the point of sale and then returns the results of the decision on approval to the point of sale (McNeal, col. 2, ll. 34-38).
11. In particular, the main system checks to see that the fingerprint data is that of an account owner authorized to use that account (McNeal, col. 2, ll. 44-45).
12. Abecassis discloses a deposit protection center 40 that processes inputs provided from communications equipment 100, verifies credit-related information on that equipment, and then processes and sends payment once the transaction has been successfully completed (Abecassis, col. 6, ll. 8-16).
13. In one embodiment, the purchaser uses a check to pay for the transaction (Abecassis, col. 4, ll. 64-68; Fig. 1A).
14. Communications equipment 100 includes a personal computer/modem 102 and/or a touch tone phone 103, where these devices are used to provide input and receive information from the deposit protection center 40, such as information about the check presented by the purchaser (Abecassis, col. 5, ll. 33-35 and ll. 46-59).

15. Abecassis teaches that the deposit protection center is under the control of an independent third party, i.e., unrelated to either party to the transaction (Abecassis, col. 3, ll. 64-68).
16. Abecassis describes that in one embodiment, the user making a payment by check enters a check number (at step 2206), the check information is then transmitted (at step 2209) to the deposit center 40 and the transmitted information is tested (at step 411) for approval (Abecassis, col. 8, ll. 44-55).
17. Abecassis teaches that the approval transaction entails first checking whether or not the user has a valid identification password (Abecassis, col. 8, ll. 55-57).
18. Abecassis further discloses in another embodiment a method for a buyer to place a payment of a deposit on hold by means of an interactive touch tone phone 103 (Abecassis, col. 10, ll. 43-46; Fig. 5).
19. To access the system, the user is asked via the touch tone phone system to punch in the user's key number and access code (Abecassis, col. 10, ll. 52-57).
20. Tedesco discloses a method in which an account holder may use an automated voice-response unit to request a reserve amount of funds for payment with a check (Tedesco, col. 6, ll. 14-22).
21. The account holder uses the voice-response unit to send check data, including an account identifier, to a bank device (Tedesco, col. 6, ll. 28-35).

22. The account holder also uses the voice-response unit to send an authorization identifier to the bank device to verify that the account holder is authorized to reserve a check (Tedesco, col. 6, ll. 40-42).
23. The bank device determines whether the authorization identifier corresponds to at least one predetermined authorization identifier of the financial account, such as may be stored in the account database (Tedesco, col. 6, ll. 44-47).
24. As such, Tedesco clearly teaches transmitting check information (check data including an account identifier) and access information (authorization identifier) to a system for verification.

PRINCIPLES OF LAW

“Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’” *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734, 82 USPQ2d 1385, 1391 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, 148 USPQ 459, 467 (1966). *See also KSR*, 127 S.Ct. at 1734, 82 USPQ2d at 1391 (“While the sequence of these

Appeal 2006-3331
Application 10/829,797

questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”)

In *KSR*, the Supreme Court emphasized “the need for caution in granting a patent based on the combination of elements found in the prior art,” *id.* at 1739, 82 USPQ2d at 1395, and discussed circumstances in which a patent might be determined to be obvious. In particular, the Supreme Court emphasized that “the principles laid down in *Graham* reaffirmed the ‘functional approach’ of *Hotchkiss*, 11 How. 248.” *KSR*, 127 S.Ct. at 1739, 82 USPQ2d at 1395 (citing *Graham*, 383 U.S. at 12, 148 USPQ at 464 (emphasis added)), and reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *Id.* The Court explained:

When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, §103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.

Id. at 1740, 82 USPQ2d at 1396. The operative question in this “functional approach” is thus “whether the improvement is more than the predictable use of prior art elements according to their established functions.” *Id.*

The Supreme Court stated that “[t]hree cases decided after *Graham* illustrate the application of this doctrine.” *Id.* at 1739, 82 USPQ2d at 1395. “In *United States v. Adams*, ... [t]he Court recognized that when a patent claims a structure already known in the prior art that is altered by the mere substitution of one element for another known in the field, the combination must do more than yield a predictable result.” *Id.* at 1739-40, 82 USPQ2d at 1395. “*Sakraida and Anderson’s-Black Rock* are illustrative – a court must ask whether the improvement is more than the predictable use of prior art elements according to their established function.” *Id.* at 1740, 82 USPQ2d at 1395.

The Supreme Court stated that “[f]ollowing these principles may be more difficult in other cases than it is here because the claimed subject matter may involve more than the simple substitution of one known element for another or the mere application of a known technique to a piece of prior art ready for the improvement.” *Id.* The Court explained:

Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.”

Id. at 1740-41, 82 USPQ2d at 1396. The Court noted that “[t]o facilitate review, this analysis should be made explicit.” *Id.*, citing *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some

Appeal 2006-3331
Application 10/829,797

articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”). However, “the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *Id.*

ANALYSIS

Claim Interpretation

The Appellant argues that McNeal fails to disclose transmitting personal identification access information (Appeal Br. 7; Reply Br. 2-3), and contends that this phrase should be interpreted narrowly to mean “a secretly protected number” (Reply Br. 3). We decline to interpret this phrase so narrowly.

Specifically, the Appellant contends that “[p]ersonal identification access information is not a term of art in the industry and thus has a meaning dependent upon that [*sic*] Appellant’s specification” (Reply Br. 3). We determine the scope of the claims in patent applications not solely on the basis of the claim language, but upon giving claims “their broadest reasonable interpretation consistent with the specification” and “in light of the specification as it would be interpreted by one of ordinary skill in the art.” *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364, 70 USPQ2d 1827, 1830 (Fed. Cir. 2004). We must be careful, however, not to read a particular embodiment appearing in the written description into the claim if the claim language is broader than the embodiment. See *Superguide Corp. v. DirecTV Enterprises, Inc.*, 358 F.3d 870, 875, 69 USPQ2d 1865, 1868 (Fed. Cir.

Appeal 2006-3331
Application 10/829,797

2004) (“Though understanding the claim language may be aided by the explanations contained in the written description, it is important not to import into a claim limitations that are not a part of the claim. For example, a particular embodiment appearing in the written description may not be read into a claim when the claim language is broader than the embodiment.”) The challenge is to interpret claims in view of the specification without unnecessarily importing limitations from the specification into the claims. See *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369, 67 USPQ2d 1947, 1950 (Fed. Cir. 2003).

The Appellant’s Specification does not provide any definition of the phrase “personal identification access information,” and the Appellant fails to point to any specific part of the Specification as support for the proposed definition (Finding of Fact 1). In fact, we could not find any instance in the Appellant’s Specification where this phrase is used (Finding of Fact 1). Rather, the Specification uses the phrase “personal identification information” and describes in one example that this information may be a personal identification number or PIN (Finding of Fact 2). Further, others of the pending claims specifically recite a “confidential personal identification number” (see e.g., claims 2, 17, 19, and 24), but the Appellant chose to use the broader phrase “personal identification access information” in independent claims 1, 15, and 18. It is the appellants’ burden to precisely define the invention, not the PTO’s. *In re Morris*, 127 F.3d 1048, 1056, 44 USPQ2d 1023, 1029 (Fed. Cir. 1997). Appellants always have the opportunity to amend the claims during prosecution, and broad interpretation by the examiner reduces the possibility that the claim, once issued, will be interpreted more broadly than is

Appeal 2006-3331
Application 10/829,797

justified. *In re Prater*, 415 F.2d 1393, 1404-05, 162 USPQ 541, 550-51 (CCPA 1969). We do not see where the Specification requires us to interpret “personal identification access information” as being limited to “a secret protected number.” As such, we give this phrase its broadest reasonable interpretation in light of the claim terms used and consistent with the Specification to mean information used to authenticate a person as someone who has the right to make use of³ a checking account.

The Appellant further argues that the claimed “service provider” should be interpreted as “a company which gives its subscribers access to the internet” (Appeal Br. 12). Again, we find nothing in the Appellant’s Specification that would require us to interpret this claim term so narrowly. In particular, the Specification does not include the definition proffered by the Appellant (Finding of Fact 3). The Appellant attempts to show that the term “service provider” has acquired an accepted definition in the internet art (Evidence Appendix). However, it appears that the Appellant is relying on definitions of “Internet Service Providers” (e.g., those companies who business it is to provide customers with access to the internet). That is clearly not what is intended by the Appellant’s claimed “service provider.” The “service provider” of the claimed invention is not providing a retailer with access to the internet; rather, the claimed service provider compares stored information with received information and transmits a verification

³ A common and ordinary meaning of “access”, as a noun, is the “ability or right to approach, enter, exit, communicate with, or make use of: *has access to the restricted area; has access to classified material.*” *American Heritage Dictionary of the English Language* (4th ed. 2000), found at www.bartelby.com.

Appeal 2006-3331
Application 10/829,797

signal over an electronic network. Again, it is the Appellant's burden to precisely define the invention, not the PTO's. *See Morris*, 127 F.3d at 1056, 44 USPQ2d at 1029. If the Appellant indeed intended to claim an Internet Service Provider then the claim should have been amended to specifically recite this limitation. As such, we give the phrase "service provider" its broadest reasonable interpretation in light of the claim terms used and consistent with the Specification to mean an entity that is providing the retailer with the service of comparison and verification of information. Further, we interpret the claimed "electronic network" to be broad enough to include any means of electronic transmission, such as via the Internet, a virtual private network, or phone line, etc.⁴

Rejection of Claims 1-8 and 15-27

The Appellant argues that independent claims 1 and 18 are patentable over McNeal, Braun, and Abecassis, independent claim 15 is patentable over McNeal, Abecassis, Sunderji, and Braun, and independent claim 24 is patentable over McNeal, Braun, Tedesco, and Abecassis because there is no motivation to transmit checking account information and personal identification access information over an electronic network to an independent third party service provider for verification (Appeal Br. 7).

⁴ A common and ordinary meaning of "network", in the computer science art, is "[a] system of computers interconnected by telephone wires or other means in order to share information." *American Heritage Dictionary of the English Language* (4th ed. 2000), found at www.bartelby.com.

The Examiner found that McNeal discloses “[t]ransmitting the checking account information and personal identification access information over an electronic network (finger print, drivers license number or signature) from a first location to an independent third party service provider (See McNeal abstract figure 1, column 1, line 64-column 2, line 14 and column 3, lines 6-13)” (Answer 3). The Examiner further found that “McNeal is not clear on the nature of the independent third party service provider” and relied on Abecassis to teach that “the verifying system is independent of any other entity” (Answer 4, citing Abecassis, col. 11, l. 61 - col. 12, l. 17). We agree with the Examiner.

McNeal discloses credit approval systems at the point of sale which use biometric data, such as fingerprints, to ascertain if the identity of the person attempting to pay by a check is an authorized person for that particular checking account so as to minimize the risk of a retailer accepting a bad check (Finding of Fact 4). In particular, McNeal discloses a check verification unit 10 in communication with a main system 12 which includes an identification database 14 (Finding of Fact 5). The check verification unit 10 includes, at least, a check scanner 16 and a biometric data-gathering device, such as a fingerprint recording device 18 (Finding of Fact 6). The check verification unit 10 is a computer platform that receives, digitizes, and processes the incoming data from the various scanning devices for transmission to main system 12 (Finding of Fact 7). In one embodiment, the check verification unit transmits the data from the various devices to a main database via a phone line or a reserved data line (Finding of Fact 8). McNeal describes that in one embodiment a check is swiped and a fingerprint is

simultaneously taken and digitized and the combined data is transmitted to the main system, which uses a check information database and a biometric database to compare the transmitted data with data already on file (Finding of Fact 9). The main system determines if the identification data of an authorized user on file matches with the transmitted data from the customer at the point of sale and then returns the results of the decision on approval to the point of sale (Finding of Fact 10). In particular, the main system checks to see that the fingerprint data is that of an account owner authorized to use that account (Finding of Fact 11).

As such, McNeal discloses the method of claim 1. Specifically, McNeal's main system 12 establishes personal identification access information (a fingerprint) for a checking account by creating the check information database and the biometric database (Finding of Fact 9). McNeal's fingerprint falls within the definition of personal identification access information, because it is used to authenticate that the account owner has access to the checking account (Finding of Fact 11). McNeal's verification system 10 transmits the checking account information (collected via the check scanner by swiping the check) and the personal identification access information (collected via the fingerprint recording device and then digitized) over an electronic network (via phone line or data line) from a first location (verification system 10 at the point of sale) to an independent third party service provider (main system 12 remote from the point of sale) (Findings of Fact 4-9). McNeal's main system 12 qualifies as an independent third party service provider because the system is clearly described as being independent of the point of sale retailer and it provides a service to the retailer, i.e., verifying

Appeal 2006-3331
Application 10/829,797

that the check is good (Findings of Fact 8 & 10). In particular, McNeal's main system 12 compares the transmitted information with stored checking account information (from the check information database) and stored personal identification access information (from the biometric database) at the main system 12 for verification (Findings of Fact 10 & 11). McNeal's main system then transmits the verification signal (decision on approval) to the first location (point of sale) (Finding of Fact 10).

The Appellant argues that McNeal's biometric information is "tied to the identity of the person and not access information tied to the check" (Appeal Br. 7). We disagree. The Appellant is suggesting that biometric data can be used only to identify an individual. This is not true. Biometric inputs can both identify, to the extent they are unique, and authenticate. As we found *supra*, McNeal discloses that its main system 12 checks to see that the fingerprint data is that of an account owner authorized to use that account (Finding of Fact 11). As such, McNeal specifically authenticates the user by correlating the scanned fingerprint with the checking account information to determine if the person associated with the fingerprint is allowed *access* to the account. Accordingly, McNeal's access information (i.e., the fingerprint) is tied to, or associated with, the check (i.e., the checking account information).

We admit that McNeal does not provide much explanation of the main system 12, such as whether the main system 12 is independent of the retailer at the point of sale. As such, we turn to Abecassis to show that it was well known in the art at the time the invention was made to use independent third party service

Appeal 2006-3331
Application 10/829,797

providers to verify check information for processing. In particular, Abecassis discloses a deposit protection center 40 that processes inputs provided from communications equipment 100, verifies credit-related information on that equipment, and then processes and sends payment once the transaction has been successfully completed (Finding of Fact 12). In one embodiment, the purchaser uses a check to pay for the transaction (Finding of Fact 13). Communications equipment 100 includes a personal computer/modem 102 and/or a touch tone phone 103, where these devices are used to provide input and receive information from the deposit protection center 40, such as information about the check presented by the purchaser (Finding of Fact 14). Abecassis teaches that the deposit protection center is under the control of an independent third party, i.e., unrelated to either party to the transaction (Finding of Fact 15).

As such, we conclude that one having ordinary skill in the art at the time the invention was made would have been led from the teaching of Abecassis of using an independent third party service provider for check verification to modify the system of McNeal to transmit checking account information and personal identification access information over an electronic network to an independent third party service provider for verification. *See KSR*, 127 S.Ct. at 1740, 82 USPQ2d at 1396 (the improvement is nothing more than the predictable use of prior art elements according to their established functions). Further, it is common sense that since a retailer's customers do not all bank with the same financial institution, there would be a market need for a data aggregator, i.e., an entity who would maintain a universal database of checking account information and personal

Appeal 2006-3331
Application 10/829,797

identification access information for many banks, so as to provide a single resource to the retailer for check verification services. That is exactly what Abecassis describes, and we find that it is not a patentable step to bridge the gap between the use of McNeal's main system 12 and the use of a universal third party service provider.

The Examiner further relied on Braun to teach that initial PIN assignment may be by the financial institution (Answer 3). We do not see where any of the independent claims require the financial institution to make the initial PIN assignment. Claims 1 and 15 recite a method for preventing check fraud including "establishing personal identification access information for a checking account." The claim is not specific as to what entity establishes this information, and as we found *supra*, the personal identification access information is not necessarily a PIN. Claim 18 is directed to an apparatus and does not contain any limitation that relates to initial PIN assignment. Claim 24, likewise, recites a method including "associating a confidential personal identification number with checking account information." This limitation of claim 24 does not recite what entity establishes the confidential personal identification number.

The Appellant argues that claims 2, 17, and 19 are patentable over McNeal and Abecassis and further argues that claim 24 is patentable over McNeal, Braun, Tedesco, and Abecassis because neither McNeal nor Abecassis teaches or suggests that the personal identification access information is a personal identification number (Appeal Br. 9). We disagree.

Abecassis teaches that it was known in the art at the time the invention was made to use a personal identification number (PIN) as a means to control access to a system. In particular, Abecassis describes that in one embodiment, the user making a payment by check enters a check number (at step 2206), the check information is then transmitted (at step 2209) to the deposit center 40 and the Finding of Fact 16). Abecassis teaches that the approval transaction entails first checking whether or not the user has a valid identification password (Finding of Fact 17). Abecassis further discloses in another embodiment a method for a buyer to place a payment of a deposit on hold by means of an interactive touch tone phone 103 (Finding of Fact 18). To access the system, the user is asked via the touch tone phone system to punch in the user's key number and access code (Finding of Fact 19).

The issue before us is whether the mere substitution of a known PIN in place of McNeal's fingerprint data would have been obvious to one having ordinary skill in the art. We find that it would have been obvious because the substitution of a PIN for a fingerprint as a means of identifying an authorized user would have been within the skill of one of ordinary skill in the art and would have yielded a predictable result. *See United States v. Adams*, 383 U.S. 42, 50-51 (1966) (when a patent claims a structure already known in the prior art that is altered by the mere substitution of one element for another known in the field, the combination must do more than yield a predictable result.)

Further, even though Abecassis teaches using the access code (or PIN) for accessing the deposit center 40, rather than accessing a checking account, it would

Appeal 2006-3331
Application 10/829,797

have been obvious to use an access code for accessing a checking account in place of the fingerprint of McNeal. *See KSR*, 127 S.Ct. at 1742, 82 USPQ2d at 1397 (“Common sense teaches ... that familiar items may have obvious uses beyond their primary purposes, and in many cases a person of ordinary skill will be able to fit the teachings of multiple patents together like pieces of a puzzle.”)

The Appellant further argues that independent claim 15 is patentable over McNeal, Abecassis, Sunderji, and Braun because “[t]here is no suggestion in Sunderji which focuses on the unique difficulties of check fraud” (Reply Br. 8). The Appellant's contention does not persuade us of error on the part of the Examiner because the Appellant responds to the rejection by attacking the references separately, even though the rejection is based on the combined teachings of the references. Nonobviousness cannot be established by attacking the references individually when the rejection is predicated upon a combination of prior art disclosures. *See In re Merck & Co. Inc.*, 800 F.2d 1091, 1097, 231 USPQ 375, 380 (Fed. Cir. 1986). In particular, the Examiner does not rely on Sunderji for the solution to the problem of check fraud, because McNeal already teaches this solution. Rather, the Examiner relies on Sunderji to show that it was known in the art at the time the invention was made to use a single identifier to access multiple accounts (Answer 6). It is the combined teachings of McNeal, Abecassis, Sunderji, and Braun, rather than the individual teachings of each reference, on which the rejection is based.

The Appellant further argues that independent claim 24 is patentable over McNeal, Braun, Tedesco, and Abecassis because “there is no suggestion in

Tedesco that the telephone be used to transmit check information and ‘access’ information to an independent third party service provider.” The Examiner found that “Tedesco clearly teaches use of an integrated voice system (Telephone) to communicate check data and identification data to the central system for verification” (Answer 13, citing Tedesco, Fig. 5, col. 4, ll. 12-22, col. 6, ll. 18-22, and col. 8, lines 37-43). We agree with the Examiner’s findings.

Tedesco discloses a method in which an account holder may use an automated voice-response unit to request a reserve amount of funds for payment with a check (Finding of Fact 20). The account holder uses the voice-response unit to send check data, including an account identifier, to a bank device (Finding of Fact 21). The account holder also uses the voice-response unit to send an authorization identifier to the bank device to verify that the account holder is authorized to reserve a check (Finding of Fact 22). The bank device determines whether the authorization identifier corresponds to at least one predetermined authorization identifier of the financial account, such as may be stored in the account database (Finding of Fact 23). As such, Tedesco clearly teaches transmitting check information (check data including an account identifier) and access information (authorization identifier) to a system for verification (Finding of Fact 24). It would have been obvious to use a voice-response unit, particularly in light of a similar teaching in Abecassis (Finding of Fact 14), over the phone line of McNeal (Finding of Fact 8) for transmitting check and access information.

The Appellants have failed to persuade us of error in the Examiner’s determination of obviousness of the claimed invention. As such, we sustain the

Appeal 2006-3331
Application 10/829,797

Examiner's rejection of independent claims 1, 15, 18, and 24 and dependent claims 2, 17, and 19 for the reasons provided *supra*. The Appellant did not provide any further arguments for separate patentability of dependent claims 3-8, 16, and 20-23, and thus these claims fall with their respective independent claims 1, 15, and 18. 37 C.F.R. § 41.37(c)(1)(vii) (2006).

REMAND

The Examiner fails to set forth any grounds of rejection of claims 25-27 in the Answer (dated May 18, 2006). We further note that none of the office actions (dated November 16, 2005, June 1, 2005, February 17, 2005, and August 26, 2004) addressed claims 25-27. As such, no rejection of these claims is before us. We remand this case to the Examiner, in light of our affirmance of the other rejections, to consider whether rejection of claims 25-27 is appropriate.

CONCLUSIONS OF LAW

We conclude that the Appellants have failed to show that the Examiner erred in rejecting claims 1-8 and 15-24 as unpatentable under 35 U.S.C. § 103.

DECISION

The decision of the Examiner to reject claims 1-8 and 15-24 is affirmed and the case is remanded to the Examiner for further consideration of the patentability of claims 25-27.

Appeal 2006-3331
Application 10/829,797

In addition to affirming the Examiner's rejection of one or more claims, this decision contains a remand. 37 C.F.R. § 41.50(e) (2006) provides:

Whenever a decision of the Board includes a remand, that decision shall not be considered final for judicial review. When appropriate, upon conclusion of proceedings on remand before the examiner, the Board may enter an order otherwise making its decision final for judicial review.

Regarding any affirmed rejection, 37 C.F.R. § 41.52(a)(1) provides, “Appellant may file a single request for rehearing within two months of the date of the original decision of the Board.”

The effective date of the affirmance is deferred until conclusion of the proceedings before the Examiner unless, as a mere incident to the limited proceedings, the affirmed rejection is overcome. If the proceedings before the Examiner do not result in allowance of the application, abandonment, or a second appeal, this case should be returned to the Board of Patent Appeals and Interferences for final action on the affirmed rejections, including any timely request for rehearing thereof.

AFFIRMED AND REMANDED

JRG

ZARLEY LAW FIRM P.L.C.
CAPITAL SQUARE
400 LOCUST, SUITE 200
DES MOINES, IA 50309-2350