

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

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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**Ex parte CHRISTOPHER R. McGEE, TANYA SCHWANER and  
DAVID BAUMGARTNER**

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Appeal No. 2006-3400  
Application No. 10/268,040  
Technology Center 3600

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ON BRIEF

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Before ANITA PELLMAN GROSS, STUART S. LEVY and  
**ROBERT E. 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 11, 13 through 19, 21 through 28 and 30 through 48. For the reasons stated *infra* we will not sustain the Examiner's rejection of these claims.

## **Invention**

The invention is directed to a method of activating discount instruments which are sold as part of a fundraiser. Once activated the discount instrument allows the bearer to receive a discount from a merchant. Claim 1 is representative of the invention and reproduced below:

1. A method for applying a discount to a transaction, the method comprising:
  - extracting, with a point-of-sale device, an identifier from a discount instrument presented at a point of sale;
  - transmitting the identifier from the point-of-sale device to a host system that maintains a specification of one or more discount instruments activated by the host system after sale of the one or more discount instruments as part of a fundraising drive;
  - receiving, with the point-of-sale device from the host system, a validation for the presented discount instrument generated by confirming that the presented discount instrument is one of the one or more activated discount instruments; and
  - modifying the transaction, with the point-of-sale device, in accordance with a discount arrangement associated with the presented discount instrument.

## **References**

The references relied upon by the Examiner are:

Nichtberger	US Re. 34,915	Apr. 25, 1995
Thompson	US 5,865,470	Feb. 2, 1999
Barnett	US 6,336,099	Jan. 1, 2002

## **Rejection at Issue**

Claims 1 through 11, 13, 21 through 28, 30 through 39, and 41 through 48 stand rejected under 35 U.S.C. § 103 (a) as being unpatentable

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over Nichtberger in view of Thompson. The Examiner's rejection is set forth on pages 3 through 6 of the Answer. Claims 14 through 19 and 40 stand rejected under 35 U.S.C. § 103 (a) as being unpatentable over Nichtberger in view of Thompson and Barnett. The Examiner's rejection is set forth on page 6 of the Answer. Throughout the opinion we make reference to the Briefs, and the Answer for the respective details thereof.

### **Issues**

Appellants contend that the Examiner's rejection of claims 1 through 11, 13, 21 through 28, 30 through 39, and 41 through 48 under 35 U.S.C. § 103(a) is in error for two reasons. First, Appellants assert, on pages 6 through 9 of the Brief, that cited art does not teach activation of discount instruments as part of a fundraising drive and confirming that the discount instrument is activated as claimed in the independent claims. Second, Appellants assert, on pages 9 and 10 of the Brief, that the Examiner has not shown that one skilled in the art, would be motivated to combine the teachings of Nichtberger and Thompson.

Appellants contend that the Examiner's rejection of claims 14 through 19 and 40, under 35 U.S.C. § 103(a) is in error for the reasons asserted with respect to the rejection of claim 1. Further, Appellants argues that the addition of Barnett does not teach the claimed limitations missing from Nichtberger and Thompson.

The Examiner contends that claims 1 through 11, 13 through 19, 21 through 28 and 30 through 48 are properly rejected under 35 U.S.C. § 103(a). The Examiner states that Nichtberger teaches activation from

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temporary status to permanent status, which meets the claim limitations directed to activating the discount instrument. Further, the Examiner states that one skilled in the art “would find it obvious to apply Thompson’s ability to earn fundraising revenue through the sale of coupon cards with Nichtberger et al.’ coupon cards.”

Thus, this case presents three issues:

The first issue for us to consider is does the combination of Nichtberger and Thompson teach the claimed steps which relate to activation of the discount instrument?

The second issue is to whether the Examiner has established a proper motivation to combine the Nichtberger and Thompson?

The third issue is whether the addition of Barnett to the Examiner’s rejection provides a teaching of the claimed steps which relate to activation of the discount instrument and provides motivation to combine the references?

We do not reach the second issue, as for the reasons stated *infra*, we find that the combination of Nichtberger and Thompson does not teach the claimed steps which relate to activation of the discount instrument. Thus, the first issue is dispositive in determining error in the Examiner’s rejection of claims 1 through 11, 13, 21 through 28, 30 through 39, and 41 through 48 under 35 U.S.C. § 103(a).

### **Findings of Fact.**

Nichtberger teaches a system for electronic distribution of coupons. See abstract. The customers have a card which is read at a coupon

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Distribution and Redemption Unit (CDU). The CDU then presents the customer with information about coupons which are available. The customer uses the CDU to select coupon. Data concerning the selected coupons is stored in the CDU and made available to the checkout system for redemption when the customer pays for the goods. See column 5, lines 3-26. The CDU performs several verifications based upon information on the card, including verification that the card has not been used in a predetermined time period, and whether the card is a temporary or permanent "special card". See column 11, lines 1-16. The temporary cards are cards with magnetic stripes which activate the CDU but do not contain a customer identifying UPC code. See column 5, lines 47-58 and column 11 lines 56 -58. A form is given to the customer. After the information from the form is input to the system and verified, a new, permanent "special card" is issued to the customer. The permanent card contains a magnetic strip and customer identifying UPC code. See column 5, line 47 through column 6, line 26.

The CDU performs the verification based upon information on the card. See column 11 lines 1-9, 46-6 and column 21, lines 10-25. Nichtberger teaches that the CDU and the terminal at check out may be separate devices in communication or that the functions of the CDU may be performed at the checkout terminal. See column 27, line 65 through column 28, line 8. Nichtberger also teaches that the CDU and the checkout terminal communicate with a computer at the operations center. The operations center computer provides coupon information to the CDU (information presented to the customer regarding coupons available), and the CDU and

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checkout terminal provide information to the operations center identifying coupons redeemed and information concerning the customers who redeemed the coupon. See column 9, lines 37-45 and 64-68. Nichtberger teaches that this information can be exchanged periodically or in an on-line constant communication. See column 29, lines 51-59. We do not find a disclosure in Nichtberger where the CDU communicates information to the operations center concerning the validity of the card.

Thompson teaches a discount card system where the discount cards may be sold as part of a fundraiser. See column 4, lines 9-13. We find no teaching in Thomson of a step of checking whether a card is authorized.

### **Principles of Law**

Office personnel must rely on Appellants' disclosure to properly determine the meaning of the terms used in the claims. *Markman v. Westview Instruments, Inc.*, 52 F3d 967, 980, 34 USPQ2d 1321, 1330 (Fed. Cir. 1995). “[I]nterpreting what is *meant* by a word *in* a claim ‘is not to be confused with adding an extraneous limitation appearing in the specification, which is improper.’” (emphasis original) *In re Cruciferous Sprout Litigation*, 301 F.3d 1343, 1348, 64 USPQ2d 1202, 1205, (Fed. Cir. 2002) (citing *Intervet America Inc v. Kee-Vet Laboratories Inc.*, 12 USPQ2d 1474, 1476 (Fed. Cir. 1989)). It is the burden of the Examiner to establish why one having ordinary skill in the art would have been led to the claimed invention by the express teachings or suggestions found in the prior art, or by the implications contained in such teachings or suggestions. *In re Sernaker*, 702 F.2d 989, 995, 217 USPQ 1, 6 (Fed. Cir. 1983).

## **Analysis**

The first issue we consider corresponds to the Examiner's rejection of claims 1 through 11, 13, 21 through 28, 30 through 39, and 41 through 48 under 35 U.S.C. § 103 (a). Independent claim 1 recites a method including the steps of "transmitting the identifier from the point-of-sale device to a host system... receiving, with the point-of-sale device from the host system, a validation for the present discount instrument." Independent claim 21 recites a method with similar steps, however the steps are claimed from the perspective of the host system vs. the point of sale terminal as recited in claim 1. Independent claim 31 recites a device which performs similar steps. Independent claim 41 recites a computer program which includes instructions to perform similar steps.

Thus, each of the independent claims recites limitations that include a point of sale terminal and a host system where the point of sale terminal communicates with the host system to determine if a discount instrument is activated. As discussed *supra*, we find that Nichtberger teaches a system for processing a customer's discount instrument; however, we find no teaching or suggestion in Nichtberger which discusses a point of sale terminal communicating with a host to determine if a discount instrument is activated. Further, we do not find that Thompson teaches or suggests communication between a point of sale terminal and host to determine if a discount instrument is activated. Thus, we do not find that the combination of the references teaches or suggests all of the limitations of the independent claims, 1, 21, 31 and 41.

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We next consider the Examiner's rejection of claims 14 through 19 and 40 under 35 U.S.C. § 103 (a). Independent claim 14 recites a method which includes steps similar to those discussed *supra* with respect to claim 1. As discussed *supra* we do not find that the combination of Thompson and Nichtberger teaches or suggests a point of sale terminal communicating with a host to determine if a discount instrument is activated. The Examiner has not asserted nor do we find that Barnett teaches or suggests this feature. Thus, we do not find that the combination of the references teaches or suggests all of the limitations of independent claim 14.

### **Conclusions**

We consider the Examiner's rejection of claims 1 through 11, 13, 21 through 28, 30 through 39, and 41 through 48 to be in error as we do not find that the combination of Nichtberger and Thompson teaches or suggests the steps claimed in independent claims 1, 21, 31 and 41 which relate to activation of the discount instrument. Similarly, we consider the Examiner's rejection of 14 through 19 and 40 to be in error as we do not find that the combination of Nichtberger, Thompson and Barnett teaches or suggests the steps claimed in independent claim 14 which relate to activation of the discount instrument.

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**Order**

For the forgoing reasons, we will not sustain the Examiner's rejection, under 35 U.S.C. § 103. The decision of the Examiner is reversed.

**REVERSED**

ANITA PELLMAN GROSS	)
Administrative Patent Judge	)
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STUART S. LEVY	) BOARD OF PATENT
Administrative Patent Judge	) APPEALS AND
	) INTERFERENCES
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ROBERT E. NAPPI	)
Administrative Patent Judge	)

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