

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 SIMPLIFICATION, LLC

Appeal 2007-0518
Reexamination Control 90/006,969¹
Patent 6,697,787
Technology Center 3600

Decided: July 31, 2007

Before JAMESON LEE, SALLY C. MEDLEY, and JAMES T. MOORE,
Administrative Patent Judges.

MEDLEY, *Administrative Patent Judge.*

DECISION ON APPEAL

A. Statement of the Case

This appeal under 35 U.S.C. §§ 134 and 306 is from a final rejection of claims 1-18 and 31-40. We have jurisdiction under 35 U.S.C. § 6(b).

The prior art relied upon by the Examiner in rejecting the claims on

¹ Application for patent filed 15 March 2004.

appeal is:

Scott Beamer, *A Marriage of Convenience*. (*MacInTax, MacMoney, and Dollars & Sense for tax preparation and planning*), MacUser, v3, n3, p 102(4) (March 1987).

It's W-2 Time – But This Year There's a Better Way to Do your Taxes, PR Newswire, (February 1987).

Claims 31-40 stand rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.

Claims 31-40 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 1-3, 5, 10, 31, 32, 34, 35, and 37-40 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Beamer as further supported by “It’s W-2 Time.”

Claims 4, 6-9, 11-18, 33, and 36 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Beamer and further in view of “It’s W-2 Time.”

The Invention

The invention relates to a system and method for collecting and processing tax data. A tax payer provides information to an electronic intermediary. The information provided may include, for example, the tax payer’s social security number, so that the electronic intermediary may electronically search databases for the tax payer’s tax data (Specification col. 4:51-56). Alternatively, the tax payer may provide account access

information to the electronic intermediary so that the electronic intermediary may electronically contact and collect from tax data providers the tax payer's tax data (Specification col. 5:50-65).

The electronic intermediary electronically processes the collected tax data to determine the tax payer's tax liability. The electronic intermediary prepares a tax return using the processed data.

Procedural Posture and related Proceedings

On 24 February 2004, patentee (hereafter "Simplification"), the real party in interest of U.S. patent 6,697,787 ('787) filed a patent infringement action against Block Financial Corporation ("Block") in the United States District Court for the District of Delaware based on U.S. patent 6,697,787 ('787). On 15 March 2004, Block requested reexamination of '787. Reexamination was granted on 3 June 2004. The civil case was stayed pending the reexamination. Simplification appealed under 35 U.S.C. §§ 134 and 306 from a final rejection of claims 1-18 and 31-40. The appeal is the subject of this decision.

On 8 April 2003, Simplification filed a patent infringement action against Block in the United States District Court for the District of Delaware based on U.S. Patent 6,202,052 ('052), which is the parent of the involved reexamination application. On 11 July 2003, Block requested reexamination of the '052 patent, which reexamination was granted on 2 October 2003. The civil action was stayed pending the reexamination. Simplification appealed from a final rejection in that case, which is also before us and is decided in a separate, concurrently mailed paper.

B. Issue

1) The first issue before us is whether the Examiner has sufficiently demonstrated that claims 31-40 are unpatentable under the written description requirement of 35 U.S.C. § 112, ¶ 1?

For the reasons that follow, we conclude that the Examiner has failed to sufficiently demonstrate that claims 31-40 are unpatentable under the written description requirement of 35 U.S.C. § 112, ¶ 1.

2) Has the Examiner sufficiently demonstrated that claims 31-40 are unpatentable under 35 U.S.C. § 112, ¶ 2?

For the reasons that follow, we conclude that the Examiner has failed to sufficiently demonstrate that claims 31-40 are unpatentable under 35 U.S.C. § 112, ¶ 2.

3) The last issue before us is whether the Examiner has sufficiently demonstrated that there is a basis for rejecting the claims based on the prior art relied on by the Examiner?

For the reasons that follow, we conclude that the Examiner has failed to sufficiently demonstrate that there is a basis for rejecting the claims based on the prior art relied on by the Examiner.

C. Findings of fact

The record supports the following findings of fact as well as any other findings of fact set forth in this opinion by at least a preponderance of the evidence.

1. Claims 1-18 and 31-40 are the subject of this appeal.
2. Claims 1-18 are original '787 patent claims.

3. Independent claims 1, 10 and 15 are as follows:
 1. An apparatus for collecting tax data comprising:
 - means for connecting electronically an electronic intermediary to a tax data provider;
 - means for collecting electronically tax data from said tax data provider;
 - means for processing electronically said tax data collected from said tax data provider to obtain processed tax data; and
 - means for preparing electronically an electronic tax return using said processed tax data.
 10. A computer-readable medium embodying a computer program for collecting tax data, said computer program comprising code segments for:
 - connecting electronically an electronic intermediary to a tax data provider;
 - collecting electronically tax data from said tax data provider;
 - processing electronically said tax data collected from said tax data provider to obtain processed tax data; and
 - preparing electronically an electronic tax return using said processed tax data.
 15. A method for automatic tax data collecting by an electronic intermediary comprising:
 - connecting electronically said electronic intermediary to a tax data provider;

collecting electronically tax data from said tax data provider, wherein said tax data is reported on an Internal Revenue Service (“IRS”), state, local, or foreign tax form;

processing electronically said tax data collected electronically from said tax data provider to obtain processed tax data; and

preparing electronically an electronic tax return using said processed tax data.

4. Each of claims 31-40 were first presented during reexamination.

5. Each one of claims 31-40 are independent claims.

6. Independent claims 31-40 are variations of and similar to the original independent claims 1, 10 and 15, but differ with the added language:

(1) “wherein said tax data collected electronically is not collected manually, and wherein said tax data collected electronically is not manually entered onto said electronic tax return” (claims 31-33, 39, and 40);

(2) the tax data is collected “automatically” (34, 35, and 36)

(3) “automatic” tax data collecting (recited in the preamble) (claim 37, 38, 39, and 40).

The 112, ¶ 1 and ¶ 2 rejections

7. The Examiner rejected claims 31-40 under 35 U.S.C. 112, ¶ 1, as the Specification allegedly does not provide the intended metes and bounds of:

1) the electronic collection of tax data wherein the tax data collected electronically is not collected manually or manually entered

onto said electronic tax return (as recited in claims 31-33, 39 and 40)
(Final Rejection 8 and Answer 5);

2) the automatic and electronic collection of tax data (as recited
in claims 34-38)

3) the tax data collected is reported on an internal revenue
service, state, local or foreign tax form as recited in claims 33 and 36.

8. With respect to the last item, the Examiner poses several
hypothetical questions regarding the limitation such as 1) do the claims
require that the tax data expressly be reported and, if so, to whom? 2) if the
scope of the claims necessitates an active reporting of the tax data on one of
the recited forms, what is the extent of the data reported? 3) does the
invention report the actual image data or an OCR version of the contents of
an entire IRS tax form? (Final Rejection 6-9 and Answer 3-6).

9. The Examiner also argues that since the Specification describes
that the invention may be implemented using existing software, such as
TurboTax®, that the demarcation between one off-the-shelf software
program being integrated into another piece of software is not made clear by
the Specification (Final Rejection 7-8 and Answer 8 and 27).

10. Simplification's Specification states:

Hence, with the electronic collection of tax data as in step 12,
the invention eliminates the current requirement that a taxpayer
manually collect the tax data, eliminates the current requirement that a
taxpayer manually enter such tax data onto a tax return or into a
computer, and eliminates the need for all, or virtually all, intermediate
hard copies of tax data, thereby saving paper, time, and cost.

In step 13, the electronic intermediary processes the tax data obtained electronically from the tax data providers in step 12. In the present invention, step 13 can be implemented using a computer program similar to the computer programs currently available in the market place, such as TurboTax, which is a registered trademark of Intuit, Inc. Although step 13 can be implemented with current technology, the current technology requires that the tax data and other information relevant to the taxpayer be inputted manually. With the present invention, this information is obtained as described above in steps 11 and 12. ('787 col. 6:23-41).

11. The Specification also describes the following:

Alternatively, the electronic intermediary can connect electronically with the IRS, and receive the tax data from the IRS. In this alternative embodiment, the tax data providers have already provided the tax data to the IRS and the electronic intermediary obtains the tax data from the IRS, and not the tax data providers. Further, the electronic intermediary can connect electronically with other taxing authorities possessing the taxpayer's tax data. In this case, the electronic intermediary receives the tax data from the taxing authorities instead of the tax data providers. ('787 col. 6:13-23).

12. The Examiner rejected claims 31-40 under 35 U.S.C. 112, ¶ 2 for the identical reasons articulated in connection with the 112, ¶ 1 rejection (Final Rejection 10-13 and Answer 7-10).

13. Simplification argues that the Examiner's rejections are improper since any rejection made under 35 U.S.C. 112, ¶ 1 should be limited to only the amended or added language (Br. 17-18).

14. The Examiner responded and argued that the amendments alter the scope of the claims as a whole and that the rejection is proper (Answer 22).

15. In response to Simplification’s arguments, the Examiner agrees that the Specification does provide support for the electronic transmission of data and software processing using the data, but argues that the Specification fails to explain in detail how this is accomplished (Answer 22-23).

The rejection of Claims 1-3, 5, 10, 31, 32, 34, 35, 37-40 as being anticipated by Beamer and “It’s W-2 Time”

16. The Examiner relied on the “It’s W-2 Time” article for the purpose of showing “various characteristics of MacInTax that are deemed to be inherent to the version of MacInTax described in Beamer.”

17. Specifically, the Examiner relied on “It’s W-2 Time” to demonstrate that the MacInTax described in Beamer performs all tax calculations on the computer (Final Rejection 14-16 and Answer 12-13).

18. The Examiner found that Beamer describes connecting electronically an electronic intermediary to a tax data provider and collecting electronically tax data from the tax data provider (Final Rejection 15-17 and Answer 12-17).

19. Specifically, the Examiner found with respect to independent claims 1, 10, 31, 32, 34, 35, 37-40 (directing attention to Beamer ¶¶ 3, 4, 6, 15, 16, 23, and 26) that:

The tax preparation software, e.g., MacInTax, can electronically connect to and download relevant financial information from a bank via a home accounting program, e.g., Dollars & Sense. This downloaded information is used to assist in completing one’s tax return. Completion of an IRS tax form is expressly disclosed by Beamer; therefore, by using data downloaded from a bank to complete the IRS tax form, said data qualifies as tax

data since it provides information that is required to complete one's tax return (Final Rejection 15, 17, 19-20 and Answer 12, 14-15, 16-17).

20. The following is from ¶ 3 of Beamer:

One day in the not-too-distant future Jan and Jim Smithwick will have their employers transmit their salaries electronically directly into their personal bank accounts. They will be able to download their bank records into their personal financial software. That program can then pass the information to a tax preparation program.

21. Moneyline, the program that allows electronic access to a bank is described as follows:

Moneyline allows you to communicate directly with your bank's computer system. Many transactions can be directly fed by the bank's computer into Dollar & Sense accounts. This reduces the drudgery of retyping data, increases accuracy and gives convenient access to bank information at any time, not just when the statement arrives. (¶ 26).

22. Beamer describes Dollars & Sense as a home accounting program that keeps track of personal finances (¶ 1 and 6).

23. Beamer also describes the following with respect to home accounting software programs:

Grooming your files at the end of the year is a must. If your accounts balance at the end of the year, you are in pretty good shape but transactions can still be in the wrong categories. At tax time it is necessary to review all transactions one by one, making sure that each is in the correct category and correctly marked as taxable or nontaxable. It is best to empty out the "Misc." and "Cash" accounts as much as possible.

Hopefully, before tax time rolls around you will have been practicing with report templates all year. This is the most difficult part of using these programs, especially with MacMoney, because there are so many variables to deal with. You must make a year end report that will correctly summarize the tax data from your files. If you have been using the suggested tax accounts from the program, this shouldn't be too hard (Beamer ¶¶ 36 and 37).

24. Simplification argued that Beamer fails to describe that the tax data provider, e.g., the bank, provides tax data as follows:

Contrary to the assertion in the Final Office Action, the bank record and the salary deposit indicated by Beamer are **not** “tax data.” Beamer teaches that the bank record indicates the salary of the taxpayer. Beamer, ¶ 3. This salary entry in the bank record is the net pay of the taxpayer. One of ordinary skill in the art of taxes would know that this salary entry, by itself, **neither** includes **nor** suggests the taxpayer's gross income, the tax withholdings taken from the taxpayer's gross income by the taxpayer's employer, and other deductions, such as, for example, retirement deductions, transportation deductions, and parking deductions, all of which are used to determine the taxpayer's taxable income. Further, one of ordinary skill in the art of taxes would know that, given that the employer withheld money from the taxpayer's income, the tax return including only the salary deposit indicated in the bank record of Beamer would be **incorrect** because that tax return would not include the taxpayer's taxable income. Only through **manual input**, then, could the taxpayer's taxable income be obtained. Hence, the downloaded bank record disclosed in Beamer, which indicates the salary deposit of the taxpayer, is **not** “tax data” because, by itself, the salary entry in the bank record cannot be used to prepare the tax return of the taxpayer. (Br. 34) (emphasis by Simplification).

25. The Examiner responded and argued that:

Beamer discloses that the tax preparation software, e.g., MacInTax, can electronically connect to and download relevant financial information from a bank via a home accounting program, e.g., Dollars & Sense (¶¶ 3, 4, 6, 15, 16, 23, 26). This downloaded information is used to assist in completing one's tax return. Completion of an IRS tax return is expressly disclosed by Beamer; therefore, by using data downloaded from a bank to complete the IRS tax form, said data qualifies as tax data since it provides information that is required to complete one's tax return. Beamer ultimately utilizes the downloaded bank statement information to electronically prepare a tax return, thereby addressing both the spirit and literal interpretation of the claimed invention. Furthermore, Patent Owner's independent claims recite "collecting electronically tax data from said tax data provider." Since the collected tax data is not referred to as "said tax data," it is not necessarily required that the collected tax data be the type of tax data expressly recited as possessed by the tax data provider. (Answer at 28-29).

26. The Simplification Specification gives examples of the type of data that is considered "tax data" as follows:

This information [data needed to compute the tax payer's liability] includes: IRS Forms W-2 from their employers; IRS Forms 1099 from their banks; each mutual fund in which interests are held, each broker in respect of dividends, interest and gross brokerage proceeds, and other persons from whom payments are received; IRS Forms 1098 in respect of residential mortgage interest paid; and canceled checks or other acknowledgments from charitable organizations ('787, col. 2:19-28).

Obviousness rejection

27. The Examiner rejected independent claims 15, 33 and 36, along with several dependent claims based on Beamer and further supported by

“It’s W-2 Time” as applied in the anticipation rejection.

28. The Examiner recognized that Beamer does not expressly describe collecting electronically tax data from a tax data provider, wherein the tax data is reported on an IRS state, local or foreign tax form (Final Rejection 22 and Answer 19).

29. Instead, the Examiner took official notice:

[t]hat it is old and well-known in the art of United States tax returns that the IRS Form 1099 summarizes information from a bank that a taxpayer needs to complete his/her tax return(s). For example, one version of the IRS Form 1099 includes data such as taxable interest earned on a bank account, i.e., information typically found on a bank statement. Beamer does not expressly teach that the downloaded tax data is expressly printed on an IRS Form W-2, 1098, or 1099; however, Beamer clearly lays the groundwork for electronically downloading tax-related data, such as a bank statement data (i.e., data that is typically listed on an IRS Form 1099), and then using this data for automatically and electronically performing the calculations necessary to file an electronic tax return (Final Rejection 22-25 and Answer 20-22).

D. Principles of Law

35 U.S.C. § 112, ¶ 1

Adequate written description means that, in the Specification, the applicant must “convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession of the [claimed] invention.” *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64, 19 USPQ2d 1111, 1117 (Fed. Cir. 1991). The written description requirement is separate and distinct from the enablement requirement. *Id.*

35 U.S.C. § 112, ¶ 2

A claim is indefinite if, when read in light of the Specification, it does not reasonably apprise those skilled in the art of the scope of the invention. *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1342, 65 USPQ2d 1385, 1406 (Fed. Cir. 2003). Specifically, if the scope of the invention sought to be patented cannot be determined from the language of the claims, the Specification or the teachings of the prior art with a reasonable degree of certainty, a rejection of the claims under 35 U.S.C. § 112, second paragraph is appropriate. *In re Wiggins*, 488 F.2d 538, 541, 179 USPQ 421, 423 (CCPA 1973).

35 U.S.C. § 102

“A person shall be entitled to a patent unless the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States” 35 USC § 102(b).

To anticipate a claim, a prior art reference must disclose every limitation of the claimed invention, either expressly or inherently. *Verdegaal Bros. v. Union Oil Co.*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

35 U.S.C. § 103

“A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if 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.” 35 USC § 103(a).

In determining whether claimed subject matter would have been obvious we take into consideration (1) the scope and content of the prior art, (2) any differences between the claimed invention and the prior art, (3) the level of skill in the art, and (4) any relevant objective evidence of obviousness or non-obviousness. *KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1731, 82 USPQ2d 1385, 1389 (2007), *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17-18 (1966).

E. Analysis

The 112, ¶¶ 1 and 2 rejections

Simplification argues that the Examiner failed to follow the requirements for reexamination proceedings and that the rejections of claims 31-40 under 35 U.S.C. 112, ¶¶ 1 and 2 were improper (FF 13). The Examiner argued that the amendatory language changed the scope of the claims 31-40 and therefore the rejection is proper (FF 14). We need not decide who is correct, since even considering the Examiner’s rejections we cannot sustain the rejections made.

We first address the arguments made in the context of the written description requirement. The Examiner initially bears the burden to demonstrate that the Specification fails to provide written description support for the claimed invention. Inherent in that demonstration is that the Examiner clearly articulates a reason for making the rejection. *In re*

Piasecki, 745 F.2d 1468, 1472, 223 USPQ, 785, 788, (Fed. Cir. 1984). In order to demonstrate that a claim term lacks written description support, the burden is initially on the Examiner to demonstrate that the inventor did not have possession of the claimed invention.

The Examiner argued that there is not a clear picture of the intended metes and bounds of the electronic collection of tax data wherein the tax data collected electronically is not collected manually or manually entered onto said electronic tax return as recited in claims 31-33, 39 and 40 (FF 7(1)). The Examiner acknowledges that portion of the Specification that describes this feature, yet fails to explain why that description fails to convey to one of ordinary skill in the art that the inventor had possession of the claimed feature. For example, the Specification states that “the invention eliminates the current requirement that a taxpayer manually collect the tax data, eliminates the current requirement that a taxpayer manually enter such tax data onto a tax return or into a computer...” (FF 10). That description is very similar to the claim language that the Examiner argues does not have written description support. Yet, the Examiner has failed to clearly articulate why the passage does not support the claim language.

The Examiner also argued that the Specification does not render a clear picture of the metes and bounds of the automatic and electronic collection of tax data. Again, the Examiner has failed to articulate in any meaningful way why the description discussed immediately above or that the Specification as a whole fails to convey to one of ordinary skill in the art that the inventor had possession of the claimed feature. For example, the

Specification describes that once the tax payer provides account or identification data to the intermediary, the intermediary then may *electronically* search databases for the tax payer's tax data (Specification col. 4:51-56), or the electronic intermediary may *electronically* contact and collect from the tax data providers the tax payer's tax data (Specification col. 4:56-62). The Examiner has failed to clearly articulate why such descriptions fail to convey to one of ordinary skill in the art that the inventor had possession of automatic and electronic collection of tax data.

The Examiner also found that since the Specification describes that the invention may be implemented using existing software, such as TurboTax®, that the demarcation between one off-the-shelf software program being integrated into another piece of software is not made clear by the Specification (FF 9). The Examiner's position is not persuasive. The Specification states that "step 13 can be implemented using a computer program *similar to* the computer programs currently available in the market place" such as TurboTax® (FF 10). The Specification makes clear that the software may be similar to what is available in the market place, but need not be exactly the same software.

Lastly, the Examiner determined that tax data "reported on an Internal Revenue Service ("IRS"), state, local, or foreign tax form" as recited in claims 33 and 36 is not supported by the Specification. The Examiner poses several hypothetical questions regarding the limitation (FF 8). The questions are confusing and detract from any reasoned articulated explanation of why the Examiner finds that the inventor did not have possession of the claimed

feature. The Specification would appear to support the limitation and the Examiner has failed to explain otherwise. For example, the Specification describes that the electronic intermediary can connect electronically with the IRS and receive tax data from the IRS. The tax data is data that various tax data providers provide to the IRS (FF 11). The Examiner has failed to clearly articulate why the Specification fails to convey that the inventor had possession of the claimed feature.

In response to Simplification's arguments, the Examiner apparently agrees that the Specification *does* provide written description support for the electronic transmission of data and software processing using the data, but argues that the Specification fails to explain in detail how this is accomplished (FF 15).

Whether one of ordinary skill in the art can make or use a described invention, e.g., enablement, is a separate and distinct requirement of 35 U.S.C. § 112, ¶ 1. The test for enablement is based on undue experimentation, where several underlying factual findings need be made. *In re Wands*, 858 F.2d 731, 8 USPQ2d 1400. The Examiner has failed to make any such findings. We need not and will not speculate as to how the Examiner's rejections may possibly fit into an enablement scenario. The Examiner has the initial burden to succinctly articulate a rationale for rejecting the claims.

The Examiner's rejection based on the second paragraph of 35 U.S.C. § 112 is verbatim the same as the written description rejection. In the context of 35 U.S.C. § 112, second paragraph, the Examiner has failed to

explain why the scope of the invention sought to be patented cannot be determined from the language of the claims, the Specification or the teachings of the prior art with a reasonable degree of certainty, as required. *In re Wiggins*, 488 F.2d 538, 541, 179 USPQ 421, 423 (CCPA 1973).

As already discussed above, at the heart of the Examiner's rejections is that the Specification does not provide enough information such that one of ordinary skill in the art would be able to make or use the invention. However, whether a Specification conveys enough information to enable one of ordinary skill in the art to make or use an invention is a different and separate requirement from the written description requirement or the definiteness requirement. In that respect, and as already explained, the Examiner has failed to make the requisite findings to support the assertions made, e.g., that one of ordinary skill in the art would not know how to make or use the invention without undue experimentation.

In addition to the above, and with respect to claims 33 and 36, we cannot sustain the rejection for the following reasons. Claims 33 and 36 both recite "collecting automatically and electronically tax data from said tax data provider, wherein said tax data is reported on an Internal Revenue Service ("IRS"), state, local, or foreign tax form." The Examiner argues that the claim language is indefinite since the claim could properly be interpreted as requiring active reporting. Specifically, the Examiner asks whether the tax data is reported, and if so, by whom (FF 8). We disagree with the Examiner that the claim may be properly interpreted to require active reporting of tax data to anyone. Simplification argued, and we agree, that

the phrase “wherein the tax data is reported on an Internal Revenue (“IRS”), state, local, or foreign tax form” is merely descriptive of the type of tax data that is collected (Answer 22). Reported tax data is just data appearing on a tax form. The claim does not require active reporting of the data as argued by the Examiner. Our interpretation is supported by the description in the Specification (FF 11). It also does not matter who had placed the data on an IRS, state, local, or foreign tax form such that such data can then be collected as “reported.” The Examiner failed to rebut Simplification’s argument in this regard, and therefore, the rejection of the claims 33 and 36, under 35 U.S.C. 112, ¶ 2 is also without merit.

The prior art rejections

The Examiner finally rejected: (1) independent claims 1, 10, 31, 32, 34, 35 and 37-40 as being anticipated under 35 U.S.C. § 102(b) by Beamer and further supported by the disclosure of “It’s W-2 Time” and (2) independent claims 15, 33 and 36 as being unpatentable under 35 U.S.C. § 103 over Beamer and further supported by the disclosure of “It’s W-2 Time” and based on official notice taken by the Examiner. In both the anticipation and the obviousness rejections, the Examiner relied on Beamer to teach collecting electronically tax data from said tax data provider.²

² Although the Examiner took official notice as to the different types of tax data that one could obtain from a bank, the Examiner in rejecting claims 15, 33, and 36 relies on Beamer to teach collecting tax data from a tax data provider, e.g., a bank (FFs 28 and 29). Thus, the issue with respect to claims 15, 33 and 36 is whether Beamer describes collecting tax data from a tax data provider.

An issue raised by Simplification is whether Beamer describes that the information collected from the tax data provider, e.g., bank, is “tax data.” For the reasons that follow, the Examiner has failed to sufficiently establish that Beamer describes that the information collected from the tax data provider, e.g., bank, is “tax data,” and therefore the rejection of all of the claims 1-18 and 31-40 is reversed.

In reviewing both the Examiner’s and Simplification’s arguments, it appears that both agree that “tax data” is data that is used to determine a tax payer’s liability (FFs 19 and 24), which is consistent with the Specification description of tax data (FF 26). The specification describes examples of “tax data” as IRS Forms W-2 from their employers and IRS Forms 1099 from their banks (FF 26). Simplification disagrees that Beamer describes that the information obtained from the bank, e.g., tax data provider, is data that is used to determine a taxpayer’s liability.

Simplification argues that the information obtained from the tax data provider, e.g., the bank, is described as “salary data” and that “salary data” does not indicate the net pay of the taxpayer, which is necessary to determine the taxpayer’s taxable income. Specifically, Simplification argues that the Beamer bank record indicates the salary of the taxpayer. Simplification further argues that the bank record salary entry is the net pay of the taxpayer, and that the salary entry data would not include a taxpayer’s taxable income, or tax liability (FF 24).

We understand Simplification to argue that the information contained on a bank statement as described in Beamer would show a record of the

amount of money directly deposited into a taxpayer's account, which Simplification refers to as "salary data." We further understand Simplification to argue that a monthly bank record showing the amount of money directly deposited would not be "tax data" since one could not determine the taxable income from the data showing the amount deposited. Instead, Simplification maintains that Beamer's direct deposit information is not useful information for determining a tax payer's liability.

In support of the argument, Simplification directs attention to paragraph 3 of Beamer. That passage is as follows:

One day in the not-too-distant future Jan and Jim Smithwick will have their employers transmit their salaries electronically directly into their personal bank accounts. They will be able to download their bank records into their personal financial software. That program can then pass the information to a tax preparation program.

This passage tends to support Simplification's argument that the only type of data that is specifically described is "salary" information, or the amount of money directly deposited into the taxpayer's bank account from an employer. From the above passage, one would understand that what an employer is electronically directly transmitting to the Smithwick's bank accounts is the amount of money owed to them from their employer. Such direct deposits are typically made on a weekly, bi-weekly or monthly basis. That amount would be after all tax deductions, retirement deductions, social security deductions, and any other deductions are made. There is no indication from the above passage that the amount deposited directly into the

Smithwick's account is the type of data that is typically used to determine one's tax liability. For example, a monthly bank report showing direct deposits from an employer is a snap shot of what occurred in a given month and would not be a complete accurate summary of a taxpayer's total net income for a year, information that would be found on a W-2 form, e.g., the type of data that the Specification describes as being "tax data." Even if the direct deposit salary amount on a bank statement is assumed to be passed to a tax preparation program that does not turn it into "tax data" without any demonstration that the tax preparation software indeed uses that data to determine one's tax liability.

The Examiner's response to Simplifications' argument is not sufficient to refute the Appellants' arguments. The Examiner is silent with respect to Simplification's specific argument that Beamer describes a monthly bank statement that would only include a direct deposit amount from an employer, and that such information would not be enough or helpful to determine a taxpayer's tax liability. Instead, the Examiner merely repeats what was stated in the rejection, e.g., that Beamer ultimately utilizes the downloaded bank statement information to electronically prepare a tax return. However, the Examiner has failed to direct attention to where in Beamer that conclusion finds support, or explain how Beamer necessarily or inherently describes the feature. Such a conclusory response is not sufficient to overcome the argument made by Simplification and what Beamer describes in paragraph 3.

The Examiner argues that:

Completion of an IRS tax form is expressly disclosed by Beamer; therefore, by using data downloaded from a bank to complete the IRS tax form, said data qualifies as tax data since it provides information that is required to complete one's tax return (FF 25).

The Examiner has failed to show that Beamer contemplates "using data downloaded from a bank to complete the IRS tax form" as argued. The Examiner places much emphasis on the following passage in Beamer to support the assertion that Beamer describes "tax data" e.g., data that can be used to complete a tax form.

Moneyline allows you to communicate directly with your bank's computer system. Many transactions can be directly fed by the bank's computer into Dollar & Sense accounts. This reduces the drudgery of retyping data, increases accuracy and gives convenient access to bank information at any time, not just when the statement arrives. (Beamer ¶26).

The references to "bank records" and "statement" from the above passage are not specific as to the type of data that is contained on the bank record or statement. The only reference to the type of data that may be contained on the record or statement is that of the money that is deposited into the Smithwick's bank account from their employer as previously discussed. The Examiner has also failed to demonstrate that the data collected from the bank must necessarily or inherently be tax data as argued (FF 25).

Beamer focuses on tax preparation. However, Beamer also focuses in detail on home accounting software too. There is approximately a full page of the three page article describing the general advantages of using a home accounting software program. Within that description is the above paragraph that discusses the link between Moneyline and a home accounting software program. The downloaded bank information is to the home accounting or personal financial software, not directly to the MacInTax or tax software. As described in Beamer, home accounting software such as the Dollars & Sense software tracks data that is otherwise not relevant to a tax payer's tax liability. For example, direct deposit data, e.g., the amount of money that is deposited from an employer into an employee's bank account may be useful in the context of home accounting software, for the purpose of budgeting and paying one's bills, but is not the type of data that a tax payer uses to determine tax liability as already discussed. The home accounting software of Beamer tracks data that would appear to have nothing to do with a tax payer's tax liability. For example, Beamer describes manipulating the home accounting software files in preparation for determining tax liability. Beamer states that "[a]t tax time it is necessary to review all transactions one by one, making sure that each is in the correct category and correctly marked as *taxable or nontaxable*" (FF 23). That statement supports the notion that data collected through the home accounting software such as Dollars & Sense is not limited to tax data. Here, the Examiner has failed to sufficiently demonstrate that the data obtained from the bank is anything more than information that a taxpayer would use for household budgeting purposes,

which data the Examiner has failed to demonstrate would in fact be used to determine a tax payer's tax liability.

For all of these reasons, the Examiner's conclusory assertion that the data collected from the bank must necessarily or inherently be data that is used to process a tax payer's liability is not supported by record evidence.

As applied by the Examiner (FF 16, 17 and 27-29), neither "It's W-2 Time" nor the official notice taken make up for the deficiencies of Beamer.

For all of these reasons, we will not sustain the Examiner's rejection of the claims based on the prior art of record.

F. Decision

Upon consideration of the record, and for the reasons given, the Examiner's rejections are reversed.

The Examiner's rejection of claims 31-40 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement is reversed.

The Examiner's rejection of claims 31-40 under 35 U.S.C. 112, second paragraph, as being indefinite is reversed.

The Examiner's rejection of claims 1-3, 5, 10, 31, 32, 34, 35, and 37-40 under 35 U.S.C. § 102(b) as being anticipated by Beamer as further supported by "It's W-2 Time" is reversed.

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The Examiner's rejection of claims 4, 6-9, 11-18, 33, and 36 under 35 U.S.C. § 103(a) as being unpatentable over Beamer and further in view of the article "It's W-2 Time" is reversed.

REVERSED

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