

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 ALAN GULLIVER,  
MASAKI TAKEMURA, and RUSSELL PAIK

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Appeal 2007-2874  
Application 10/282,271  
Technology Center 3600

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Decided: November 27, 2007

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Before TERRY J. OWENS, LINDA E. HORNER, and ANTON W. FETTING,  
*Administrative Patent Judges.*

HORNER, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134 of the Examiner's rejection of claims 1-20, all the claims currently pending in the application. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

## SUMMARY OF DECISION

We AFFIRM.

### THE INVENTION

Appellants claimed invention is to a method of vending software (Spec. p.

3). Claim 1, reproduced below, is representative of the subject matter on appeal.

1. A method for vending software, comprising:

wirelessly transmitting, from a kiosk to a primary portable device, a demonstration version of the software and at least some identifying data representing an identification of a store with which the kiosk is associated; and

wirelessly transmitting, from the primary portable device to a secondary portable device, at least one demonstration version and associated identifying data.

### THE REJECTIONS

The Examiner relies upon the following evidence in the rejections:

Horstmann '525	US 6,009,525	Dec. 28, 1999
Floyd	US 6,243,692 B1	Jun. 5, 2001
Hitson	US 2002/0010759 A1	Jan. 24, 2002
Horstmann '356	US 6,363,356 B1	Mar. 26, 2002
Stefanik	US 6,959,285 B2	Oct. 25, 2005

The following rejections are before us for review.

1. Claims 1-3 and 5-20 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Hitson, Horstmann '356, and Stefanik.
2. Claim 4 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Hitson, Horstmann '356, Stefanik, and Floyd.

## ISSUES

Appellants contend that (1) the primary reference fails to disclose “wirelessly transmitting a demonstration version of software from a kiosk to a primary portable device and then wirelessly transmitting the demo version (along with data identifying the kiosk) to a secondary portable device (Appeal Br. 3), (2) “neither reference [i.e., Hitson and Horstmann ‘356] contemplates downloading a demonstration version of software” (Appeal Br. 4), and (3) the identifying data representing an identification of a store in Horstmann ‘356 refers to “the merchant’s web site (URL) location, not a store location” as claimed (Appeal Br. 4-5). The Examiner held it would have been obvious to modify Hitson to include “downloading of software from a software kiosk as taught by Stefanik” and “transmitting an identifier or marker identifying the merchant of purchase location as taught by [Horstmann] ‘356” in order “to provide a distribution channel for distributing low cost computer software to end users” and allow “a referrer to be identified at the time of purchase” (Answer 5-6).

The issues before us are:

1. Whether Appellants have shown that the Examiner erred in rejecting claims 1-3 and 5-20 as unpatentable over Hitson, Horstmann ’356, and Stefanik.
2. Whether Appellants have shown that the Examiner erred in rejecting claim 4 as unpatentable over Hitson, Horstmann ‘356, Stefanik, and Floyd.

### 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 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

1. Appellants' Specification defines software as "a complete, fully enabled version of an application program" (Spec. p. 5, ll. 5-6).

2. Appellants' Specification defines a demonstration version (of software) to be an application program that is only partially as capable as the full version of the application program (Spec. p. 5, ll. 6-9).

3. Appellants' Specification describes that a demonstration version may be programmed with code restrictions on the number of uses of the version, expiration time of the version, conditional access to the version, and the like (Spec. p. 11, ll. 17-19).

4. Hitson discloses a system and method for delivering music and other audio content via the Internet (Hitson ¶ 2).

5. Hitson utilizes a modified client/server approach to content delivery (Hitson ¶ 38).

6. In addition to requesting data from a server, a client may provide access to content stored on a device, and may function as a server by providing content to other clients. Clients may communicate with other clients or with a server through wired or wireless means (Hitson ¶ 39).

7. The client device may be a portable media player device (Hitson ¶¶5 and 38).

8. Horstmann ‘525 teaches that electronic software distribution may follow a try-before-you-buy (Try/Buy) model, where the customer is allowed to try the software for a period of time before being required to either buy the software or discontinue use of the software (Horstmann ‘525, col. 1, ll. 57-64).

9. In the try/buy model, the product is altered in such a way that the potential customer can use the product a limited number of times, a limited amount of time, or is functionally crippled in some way. At the end of the trial period, the user/customer either purchases the product or deletes the demonstration version. If the product is purchased, the customer is provided a key that “breaks the shrinkwrap” and permanently installs the product. (Horstmann ‘525, col. 2, ll. 10-17.)

10. The electronic software distribution allows software products to be wrapped by their publishers in order to allow for the addition of information by downstream distribution channel partners, for example, distributors and merchants (Horstmann ‘525, col. 2, ll. 39-43).

11. Horstmann ‘356 incorporates by reference the disclosure of Horstmann ‘525 relating to electronic software distribution technology (Horstmann ‘356, col. 2, ll. 38-41).

12. Horstmann ‘356 teaches a method and system for using an associates program for electronic software/content distribution (Horstmann ‘356, col. 1, ll. 56-57). More specifically, Horstmann ‘356 discloses a mechanism for identifying

a referrer at the time of purchase in a download-then-pay system (Horstmann '356, col. 1, ll. 58-60).

13. Horstmann '356 further discloses adding an identifier or marker to the electronic content at the time of download (Horstmann '356, col. 1, ll. 61-62).

14. Merchant and purchase location information may also be added (Horstmann '356, col. 1, ll. 62-63).

15. According to Horstmann '356, software products are stored at a merchant/download site. An end user may download a software product by visiting the merchant site directly, or via links to the download site located at a plurality of other sites. (Horstmann '356, col. 3, ll. 10-15.)

16. When a link is followed, the source of the link (i.e., the identity of the referrer) is communicated to the merchant site. Then during the downloading process, identification information is added to the product file, to include the referrer information, and optionally, variable information about the location of a purchase Web site, purchase mechanism, and the like. (Horstmann '356, col. 3, ll. 17-22.)

17. Typically, the identifying information is used to give credit to the appropriate referrer (Horstmann '356, col. 3, ll. 37-38).

18. Stefanik discloses a distribution channel, specifically a software kiosk, for distributing low cost computer software to end users (Stefanik, col. 2, ll. 44-45).

19. A user of electronic device 330(j) can conduct a sales transaction or a rental transaction with any remotely located software ATM 320(i) within the

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network 300 depending on the location of the two devices. For instance, the user of electronic device 330(j) can commence the transaction by transmitting a request for connection signal wirelessly to software ATMs 320(m). (Stefanik, col. 9, ll. 14-24.)

20. Hitson, Horstman '356, and Stefanik all relate to the transmission and/or distribution of digital data.

### 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 (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, and (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 127 S.Ct. at 1734 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”) The Court in *Graham* further noted that evidence of secondary considerations “might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.” 383 U.S. at 17-18.

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,

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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 (citing *Graham*, 383 U.S. at 12 (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. 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.*

#### ANALYSIS

*Rejection of claims 1-3 and 5-20 as unpatentable over Hitson, Horstmann ‘356, and Stefanik*

Appellants argue claims 1, 2, 5-8, and 10-20 as a group (Appeal Br. 3-5). As such, we select claim 1 as a representative claim, and the remaining claims of the group, i.e., claims 2, 5-8, and 10-20, stand or fall with claim 1. 37 C.F.R.

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§ 41.37(c)(1)(vii) (2007).

Appellants contend that “[c]laim 1, which requires wirelessly transmitting a demonstration version of software from a kiosk to a primary portable device and then wirelessly transmitting the demo version (along with data identifying the kiosk) to a secondary portable device, has been rejected by a primary reference that teaches neither” (Appeal Br. 3). More specifically, Appellants contend that the “DRM-protected software [of Hitson] is not demonstration software” (*Id.*). The Examiner found that the “content” of Hitson is analogous to the claimed software, and the “content samples” of Hitson are analogous to the claimed demonstration version software “based upon the restrictions place upon ‘content samples,’ distinguishing them from fully enabled ‘content’” (Answer 14).

As noted in Appellants’ Brief, Appellants’ Specification defines “software” to be a “fully enabled version of an application program” and “demonstration software” to be a “partial version of the software” (Finding of Facts 1 and 2). Appellants’ Specification further states that “the demonstration versions may be programmed with code restrictions on the number of uses of the versions, expiration time of the versions, conditional access to the versions, etc.” (Finding of Fact 3). Appellants contend that DRM-protected software is not demonstration software. We find this argument unpersuasive, because the Examiner relied on Hortsman ‘356 to teach transmission of a demonstration version of software with some identifying data to identify a store (Answer 5), and Appellants are arguing the Hitson reference individually. To support a rejection under 35 U.S.C. § 103(a),

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it is the combination which must teach each and every claimed element, not the primary reference.

Appellants further contend that “[n]either reference [i.e., Hitson and Horstmann ‘356] contemplates downloading a demonstration version of software” (Appeal Br. 4). We disagree.

Horstmann ‘356 discloses that electronic software distribution may follow a try-before-you-buy (Try/Buy) model, where the customer is allowed to try the software for a period of time before being required to either buy the software or discontinue use of the software (Finding of Facts 8 and 11). More specifically, Horstmann ‘356 discloses that the product is altered in such a way that the potential customer can use the product a limited number of times, a limited amount of time, or is functionally crippled in some way (Finding of Facts 9 and 11). These examples are among those recited by the Appellants as exemplifying partial capability in a demonstration version (Finding of Fact 3). Accordingly, Horstmann ‘356 not only contemplates, but specifically discloses downloading demonstration software.

Appellants further contend that “the relied-upon statement on col. 1, lines 60-65 of Horstmann ‘356 that ‘merchant and purchase location may also be added’” is not equivalent to the claimed identifying data because Horstmann ‘356 is referring to “the merchant’s web-site (URL) location, not a store location” (Appeal Br. 4-5). We fail to see a patentable distinction in view of the language of claim 1.

Claim 1 does not require that the data identify a “store location.” Claim 1 requires only that the identifying data represent “an identification of a store with which the kiosk is associated.” A merchant’s web-site URL represents an identification of the merchant’s store, albeit a virtual store. Therefore, if one were to replace the referring web sites/link of Horstmann ‘356, with the software kiosk of Stefanik, the identification data would identify either the kiosk or the store associated with the kiosk in order to provide proper credit for the referral.

Appellants contend that “because the first two references do not consider kiosks” the applied combination can only be interpreted as disclosing buy/try software because Stefanik fails to disclose using a kiosk to download try/buy software (Appeal Br. 5).

Hitson discloses a system and method for distributing music or other audio content via the Internet (Finding of Fact 4). Hitson uses a modified client/server approach to content delivery, where in addition to requesting data from a server, a client may provide access to content stored on a device, and may function as a server by providing content to other clients (Finding of Facts 5 and 6). Horstmann ‘356 discloses a method and system for using an associates program for electronic software/content distribution (Finding of Fact 12). More specifically, Horstmann ‘356 discloses a mechanism for identifying a referrer at the time of purchase in a download-then-pay system (Finding of Fact 12). The electronic software distribution mechanism of Horstmann ‘356 allows software products to be wrapped by their publishers in order to allow for the addition of information by downstream distribution channel partners, for example, distributors and merchants

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(Finding of Facts 10 and 11). Stefanik discloses a computer software distribution mechanism for distributing low cost computer software (Finding of Fact 18). More specifically, Stefanik discloses a system that utilizes a plurality of kiosks to download software via the Internet to portable devices (Finding of Fact 19). Therefore, the Examiner held it would have been obvious to modify Hitson to include the software kiosk of Stefanik and the referrer data of Horstmann ‘356 in order to provide an additional distribution channel and to be able to identify the referrer at the time of purchase. The claimed combination is merely the substitution of well known distribution methods of Stefanik (by kiosk) and Horstmann ‘356 (try-then-buy electronic software distribution with referrer identification) for the distribution methods of Hitson. *KSR*, 127 S.Ct. at 1740 (“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”) (citing *United States v. Adams*, 383 U.S. 39, 50-51 (1966)). Appellants have not provided any evidence or arguments that the combination provides unexpected results or was not within the capability of one skilled in the art. *Id.* (“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”).

Finally, in response to the Examiner’s assertion in the Answer that “the prior art references (Hitson, Horstmann ‘356, and Stefanik) are valid under the analogous arts test” (Answer 12), Appellants argue that the references have not

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been properly shown to be analogous because the Examiner “never defines the level and skill of the skilled artisan and he never offers support for his sole ‘common sense’ rationale that ‘all three references relate to the transmission and/or distribution of digital data’” (Reply Br. 3-4). We do not find Appellants’ argument persuasive because a specific finding as to the level of skill in the art is not required where the Examiner relies on the content of the reference themselves to support his findings. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error ‘where the prior art itself reflects an appropriate level and a need for testimony is not shown.’”) Further, we agree with the Examiner’s finding that all three references relate to the transmission and/or distribution of digital data and thus all three references are reasonably pertinent to the problem that the Appellants were trying to solve (Finding of Fact 20). *See In re Oetiker*, 977 F.2d 1443, 1447 (Fed. Cir. 1992).

Appellants separately argue claim 3. More specifically, Appellants contend that “the rejections confuse the referring Web site fee in Hitson et al. with the limitation in Claim 3 of associating a sale credit with a store” (Appeal Br. 5). The Examiner held it would have been obvious “to further modify Hitson to include crediting the referrer as taught by [Horstmann] ‘356 in order to compensate the referrer for the sales generated” (Answer 7).

The Examiner relies on the teachings of Horstmann ‘356, not Hitson, in his findings. Therefore, Appellants’ argument regarding Hitson is unpersuasive because the Examiner is not relying on Hitson for the disclosure of the sale credit.

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Furthermore, Horstmann '356 teaches using an identifier downloaded with the demonstration software to directly, or indirectly, identify a referrer. The identifying information is used to give credit to the appropriate referrer when the software is actually purchased (Finding of Fact 17). The Examiner found that the referral fee or credit of Horstmann '356 was equivalent to associating a sale credit with the referrer. Appellants' have not provided any argument to suggest that crediting a referrer for a sale is not equivalent to associating a sale credit as claimed. As such, we sustain the Examiner's rejection of claim 3 as unpatentable over Hitson, Horstmann, and Stefanik.

Appellants separately argue claim 9. More specifically, Appellants contend that the Examiner's finding with regard to claim 9, *viz*, that the teaching in Horstmann '356 to send identifying data of a merchant is equivalent to providing a software agent useful for accessing a Web site at which the software can be purchased, is a "non-sequitur" because "[i]t is entirely possible to provide data without providing a software agent that uses that data" (Appeal Br. 5). The Examiner found that the "EC client [of Horstmann '356] represents a 'software agent'" (Answer 8). Therefore, the Examiner did not find that sending identifying data as taught by Horstmann '356 was equivalent to providing a software agent. To the contrary, the Examiner found that the EC client, which Horstmann '356 teaches can be installed on the end user machine to allow the software to be purchased, is equivalent to the claimed software agent. Appellants have not provided any arguments refuting the Examiner's findings or supporting a conclusion that the EC client of Horstmann is not a software agent. As such, we

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sustain the Examiner's rejection of claim 9 as unpatentable over Hitson, Horstmann '356, and Stefanik.

*Rejection of claim 4 as unpatentable over Hitson, Horstmann '356, Stefanik, and Floyd*

Appellants contend that claim 4 is patentable over Hitson, Horstmann '356, Stefanik, and Floyd for the reasons presented with respect to claim 1. We find Appellants' arguments with respect to claim 1 unpersuasive for those reasons discussed *supra*.

Appellants further contend that "there is no reason to combine the relied-upon restriction of Floyd et al. with the primary reference" because "[t]he primary reference already provides DRM" (Appeal Br. 6). However, the fact that the primary reference already provides DRM is not germane to the Examiner's rejection because the Examiner was not relying on the provision of DRM as motivation for the combination.

In rejecting claim 4, the Examiner found that the combination of Hitson, Horstmann '356 and Stefanik teaches all of the limitations of claim 4 except "resetting at least one restriction of the demonstration version in connection with sending the version from the primary to the secondary device" (Answer 9). The Examiner further found that Floyd teaches resetting the number of days since installation when the demonstration software is provided to the secondary device. Therefore, the Examiner held that it would have been obvious to modify the combination of Hitson, Horstmann '356, and Stefanik to include "resetting of the

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parameter date [i.e., installation date] upon installation on a new computer as taught by Floyd” in order “to fully process a try-buy software model” (Answer 9). In other words, without resetting the installation date, the secondary device may not be able to utilize the demonstration software. Appellants have not provided any argument or evidence to refute the Examiner’s holding regarding claim 4. As such, we sustain the Examiner’s rejection of claim 4.

#### CONCLUSIONS OF LAW

We conclude that Appellants have not shown that the Examiner erred in rejecting claims 1-3 and 5-20 as unpatentable over Hitson, Horstmann ‘356, and Stefanik and claim 4 as unpatentable over Hitson, Horstmann ‘356, Stefanik, and Floyd.

#### DECISION

The Examiner’s decision to reject claims 1-20 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2007).

AFFIRMED

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