

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* JONATHAN D. COOPER

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Appeal 2008-0180  
Application 10/716,637  
Technology Center 3600

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Decided: March 21, 2008

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Before JENNIFER D. BAHR, LINDA E. HORNER, and JOHN C. KERINS,  
*Administrative Patent Judges.*

HORNER, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant seeks our review under 35 U.S.C. § 134 of the Examiner's final rejection of claims 59-75, 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

Appellant's claimed invention is directed to a method for facilitating secure money transfers (Spec. ¶ 0001). Claim 59, reproduced below, is representative of the subject matter on appeal.

59. An automated process for sending money from a first location to a second location comprising:  
receiving a request for a secure money transfer from a requestor;  
receiving information associated with a recipient for said secure money transfer;  
receiving information indicating an amount of said secure money transfer;  
transferring said amount to a standard atm card;  
assigning an access code to said standard atm card;  
providing said standard atm card to said recipient;  
providing said access code from said requestor to said recipient;  
wherein said standard atm card is a card for use in existing automated teller machines; and  
whereby said standard atm card and said access code enable said recipient to use said standard atm card in said automated teller machines.

### THE REJECTIONS

The Examiner relies upon the following evidence in the rejections:

Corder	US 5,936,221	Aug. 10, 1999
Downing	US 5,963,647	Oct. 5, 1999
Ito	US 6,039,250	Mar. 21, 2000
Picciallo	US 6,044,360	Mar. 28, 2000

The following rejections are before us for review:

1. Claims 59, 61, 68-70, 72, 73, and 75 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Downing and Picciallo.
2. Claims 60, 71, and 74 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Downing, Picciallo, and Ito.
3. Claims 62-66 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Downing, Picciallo, and Corder.
4. Claim 67 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Downing, Picciallo, Corder, and Ito.

#### ISSUES

Appellant contends that (1) “there is no motivation found within the references to combine them in the manner suggested by the Examiner”, (2) “Downing teaches away from the suggested combination”, and (3) “there is no reasonable likelihood of success” (Appeal Br. 8). The Examiner found the only distinction between Downing’s method of transferring money between parties and the claimed invention was that Downing fails to explicitly disclose delivering a standard ATM card to the recipient to enable completion of the secure money transfer (Answer 4). The Examiner further held it would have been obvious to one of ordinary skill in the art to modify the method of Downing to utilize ATM cards to complete the secure money transfer as taught by Picciallo to provide a convenient means to distribute the money and control its usage (*Id.*).

The issues before us are:

1. Whether Appellant has shown that the Examiner erred in rejecting claims 59, 61, 68-70, 72, 73, and 75 as unpatentable over Downing and Picciallo.
2. Whether Appellant has shown that the Examiner erred in rejecting claims 60, 71, and 74 as unpatentable over Downing, Picciallo, and Ito.
3. Whether Appellant has shown that the Examiner erred in rejecting claims 62-66 as unpatentable over Downing, Picciallo, and Corder.
4. Whether Appellant has shown that the Examiner erred in rejecting claim 67 as unpatentable over Downing, Picciallo, Corder, and Ito.

#### 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. It is known in the art to utilize a debit/ATM card system to transfer funds from a sender's account to a recipient by issuing a fixed currency limit debit/ATM card to the recipient at his or her location (Picciallo, col. 1, ll. 45-49).
2. Downing teaches a system and method for transferring funds by assigning a password to funds to be transferred to a recipient so that the recipient can subsequently access the funds through an automated teller machine or financial institution using the password (Downing, col. 1, ll. 26-30).

3. The sender enters a personal identification number (PIN) which is used along with information read from magnetically-encoded information on the sender's card to authenticate the sender's request (Downing, col. 6, ll. 18-21).

4. The sender further enters information used to process the requested transfer, including: the sender's name; a secret code; the transaction amount; the recipient's name and address; an optional message, the destination country, and the source account which is debited to cover the requested transfer (Downing, col. 6, ll. 21-30).

5. Once the requested transaction has been confirmed and logged, the sender terminal prints a record of the transaction. The record shows the following: terminal ID; date and time; the transfer authorization amount; any transaction fees; the transfer confirmation reference number; the recipient's name; and the balance of the source account (Downing, col. 6, ll. 59-65).

6. Once the transfer is requested and approved, the sender must then contact the transfer recipient and provide the secret code selected by the sender, the amount of the transfer, and the transfer confirmation reference number (Downing, col. 7, ll. 6-13).

7. The recipient may access the system with respect to the transaction through a variety of means, including through a self-service terminal with no requirement that the recipient have a card to access the terminal (Downing, col. 7, ll. 18-22).

8. According to an embodiment of Downing, a recipient uses a Customer Activated Terminal (CAT) to enter the reference number and secret code which

were provided to the recipient by the sender, along with the recipient's name. Once the information is confirmed by the network, the recipient terminal displays the transfer balance. The recipient may withdraw all or a part of the transferred amount (Downing, col. 7, ll. 29-36).

9. Downing teaches that although the preferred embodiment supports funds transfers from a source account to a cash access file for cardless withdrawal, the system may also be used in connection with conventional ATM terminals (Downing, col. 10, ll. 34-36).

10. Picciallo teaches a system and method wherein account holders may transfer funds from a pre-established account to third party recipients and then receive an itemized statement of how the recipients spent the funds (Picciallo, col. 2, ll. 17-22).

11. Picciallo teaches that the recipients designated by the account holders will be issued magnetic cards to access the funds that have been transferred on their behalf. The recipients can then withdraw the funds as cash from ATM machines, or pay for point-of-sale purchases of goods and services by electronic fund transfer. At the same time, the account holder may limit how much of the funds that have been set aside may be withdrawn as cash (Picciallo, col. 3, ll. 14-23).

12. The sender provides the system the amount of funds to be transferred and identifying information on the recipient for use in allowing the recipient access to the secondary file (i.e., the funds) established on their behalf (Picciallo, col. 10, ll. 49-54).

13. A magnetic card is then encoded with an identifier correlated to the secondary file and issued to the sender for delivery to the recipient or issued directly to the recipient (Picciallo, col. 11, ll. 35-40).

14. Picciallo teaches that using ATM/debit cards to transfer the money is more economical and convenient because they eliminate the need for the system operator to hire employees to receive and enter information that would be submitted directly to the system by the account holder or third party recipient. Picciallo further teaches that encoding information fields on the magnetic stripe of an ATM card is well known in the art (Picciallo, col. 9, ll. 1-14).

15. Ito discloses a method of remitting money through a communications network (Ito, col. 1, ll. 4-6).

16. Ito teaches that funds are transferred from a sender to an electronic money server for access by a recipient (Ito, col. 1, ll. 50-60).

17. The electronic money server is provided with a time management unit in order to avoid funds remaining in the server indefinitely. If stored funds are not retrieved within a certain period of time, the server sends a reminder to the recipient, or refunds the funds to the sender (Ito, col. 2, ll. 39-47).

#### 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

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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, 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.*

“A reference may be said to teach away when a person of ordinary skill, upon reading the reference would be led in a direction divergent from the path that was taken by the applicant.” *In re Haruna*, 249 F.3d 1327, 1335 (Fed. Cir. 2001). “[W]hen the prior art teaches away from combining certain known elements, discovery of a successful means of combining them is more likely to be

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nonobvious.” *KSR*, 127 S.Ct. at 1740 (citing *United States v. Adams*, 383 U.S. 39, 51-52 (1966)). “When a piece of prior art ‘suggests that the line of development flowing from the reference’s disclosure is unlikely to be productive of the result sought by the applicant’ the piece of prior art is said to ‘teach away’ from the claimed invention.” *Medichem, S.A. v. Rolabo, S.L.*, 437 F.3d 1157, 1165 (Fed. Cir. 2006) (quoting *In re Gurley*, 27 F.3d 551, 53 (Fed. Cir. 1994)). In *Medichem*, however, the Federal Circuit further explained:

[O]bviousness must be determined in light of all the facts, and there is no rule that a single reference that teaches away will mandate a finding of nonobviousness. Likewise, a given course of action often has simultaneous advantages and disadvantages, and this does not necessarily obviate motivation to combine. See [*Winner Int'l Royalty Corp. v. Wang*, 202 F.3d 1340, 1349 n. 8 (Fed. Cir. 2000)] (“The fact that the motivating benefit comes at the expense of another benefit, however, should not nullify its use as a basis to modify the disclosure of one reference with the teachings of another. Instead, the benefits, both lost and gained, should be weighed against one another.”). Where the prior art contains “apparently conflicting” teachings (i.e., where some references teach the combination and others teach away from it) each reference must be considered “for its power to suggest solutions to an artisan of ordinary skill.... consider[ing] the degree to which one reference might accurately discredit another.” *In re Young*, 927 F.2d 588, 591 (Fed. Cir. 1991).

*Id.*

## ANALYSIS

*Rejection of claims 59, 61, 68-70, 72, 73, and 75 as unpatentable over Downing and Picciallo*

Appellant argues claims 59, 61, 68-70, 72, 73, and 75 as a group (Appeal Br. 8). We select claim 59 as a representative claim and the remaining claims of the group stand or fall with claim 59. 37 C.F.R. § 41.37(c)(1)(vii) (2007).

Appellant contends that “there is no motivation found within the references to combine them in the manner suggested by the Examiner” (Appeal Br. 8). However, the current law regarding obviousness does not require that the motivation to combine references be found within the references themselves. Although the requirement of demonstrating a teaching, suggestion, or motivation (the TSM test) to combine known elements in order to show that the combination is obvious may be “a helpful insight,” it cannot be used as a rigid and mandatory formula. *KSR*, 127 S.Ct. at 1741. Further, although there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness, “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.*

In rejecting claim 59, the Examiner found the only difference between Downing’s method of transferring money between parties and the claimed invention was that Downing fails to explicitly disclose delivering a standard ATM card to the recipient to enable completion of the secure money transfer (Answer 4).

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The Examiner further held it would have been obvious to one of ordinary skill in the art to modify the method of Downing to utilize ATM cards to complete the secure money transfer as taught by Picciallo to provide a convenient means to distribute the money and control its usage (*Id.*).

Appellant further contends that there is no motivation to modify Downing as suggested by the Examiner because Downing teaches away from the suggested combination. In particular, the Appellant argues that “[t]he suggested combination would require adding a standard ATM card to a primary reference which has a stated goal of eliminating the use of a standard ATM card” (Appeal Br. 9). The Examiner found the fact that Downing teaches a specific embodiment which eliminates the use of an ATM card “does not negate or teach away from other embodiments that support the combination of references” (Answer 12). We agree with the Examiner.

Although we acknowledge that a stated objective of Downing’s method is to provide a system and method which supports funds transfers from a source account to a cash access file for cardless withdrawal, Downing further states that despite the advantages of a cardless withdrawal system, the invention may also be used in connection with other terminals, such as conventional ATMs (Finding of Facts 7 & 9). Accordingly, we find Appellant’s argument that Downing teaches away from the proposed combination unpersuasive.

Appellant still further contends that “there is no reasonable likelihood that one of ordinary skill in the art would have succeeded in combining Downing and Picciallo” because “[t]here is no disclosure as to how the invention of Downing

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could be adapted for use in standard ATMs” and “Picciallo provides no help as to how this might be accomplished” (Appeal Br. 10). We disagree.

Downing teaches a method and system for transferring funds by assigning a password to funds to be transferred to a recipient so that the recipient can subsequently access the funds through an automated teller machine or financial institution using the password (Finding of Fact 2). The only distinction between the invention as defined by claim 59 and the method of Downing is that Downing fails to teach transferring the funds to a standard ATM card and providing the ATM card to the recipient (Finding of Facts 3-7). The use of an ATM or debit card to transfer funds from a sender’s account to a recipient by issuing a fixed currency limit ATM card is known in the art (Finding of Fact 1). Picciallo teaches a system and method of transferring funds between two parties wherein a magnetic card is encoded with an identifier correlated to the funds to be transferred and issued to the sender for delivery to the recipient or issued directly to the recipient (Finding of Fact 13). Furthermore, Picciallo teaches that the use of ATM/debit cards to transfer the money is more economical and convenient because it eliminates the need for the system operator to hire employees to receive and enter information that would be submitted directly to the system by the account holder or third party recipient (Finding of Fact 14). Therefore, it would have been within the capabilities of one of skill in the art to encode the transfer confirmation reference number or some other information correlated to the funds to be transferred on the magnetic stripe of a standard ATM as taught by Picciallo. As such, we find

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Appellant's conclusory statement that there is no likelihood of success for the proposed combination unpersuasive.

Finally, Appellant contends that "[t]he facts alleged by the Examiner fails to provide a sufficient motivation to combine the references" (Appeal Br. 9). More specifically, Appellant contends that "[s]imply because ATM cards and machines were well known teaches nothing as to why one of ordinary skill in the art would depart from the principle teaching of Downing, namely cardless cash withdrawal" (*Id.*). We disagree.

In rejecting claim 59, the Examiner found the only distinction between Downing's method of transferring money between parties and the claimed invention was that Downing fails to explicitly disclose delivering a standard ATM card to the recipient to enable completion of the secure money transfer (Answer 4). The Examiner further held it would have been obvious to one of ordinary skill in the art to modify the method of Downing to utilize ATM cards to complete the secure money transfer as taught by Picciallo to provide a convenient means to distribute the money and control its usage as taught by Picciallo (*Id.*). Accordingly, contrary to Appellant's contention, the Examiner did not hold that it would have been obvious to combine Downing and Picciallo simply because ATM cards and machines are well known. Rather, the Examiner's holding of obviousness was based on the substitution of known elements, i.e., that it would have been obvious to replace Downing's cardless system for accessing transferred funds via a customer-activated terminal with Picciallo's encoded ATM or debit card.

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Where, as here “[an application] 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,” *KSR*, 127 S.Ct. at 1740 (citing *United States v. Adams*, 383 U.S. 50-51 (1966)).

Appellant has provided no evidence that replacing a cardless system for accessing transferred funds via a customer-activated terminal as taught by Downing with an encoded ATM or debit card as taught by Picciallo yields an unexpected result or was uniquely challenging or difficult for one of ordinary skill in the art.

For those reasons discussed *supra*, we sustain the Examiner’s rejection of claims 59, 61, 68-70, 72, 73, and 75 as unpatentable over Downing and Picciallo.

*Rejection of claims 60, 71, and 74 as unpatentable over Downing, Picciallo, and Ito*

Appellant argues claims 60, 71, and 74 as a group (Appeal Br. 11). We select claim 60 as a representative claim and the remaining claims of the group stand or fall with claim 60. 37 C.F.R. § 41.37(c)(1)(vii). Claim 60, which depends from claim 59, further recites determining whether the recipient receives the ATM card and, if the recipient does not receive the ATM card, providing a credit to the sender.

In rejecting claim 60, the Examiner found that Ito teaches an electronic money sending system wherein “the sender receives a refund in the amount of the requested transfer in the case where the recipient does not receive the funds” (Answer 7). Further, the Examiner held it would have been obvious to one of ordinary skill in the art to modify the method of Downing to “provide a means for

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crediting or refunding the transfer amount back to the sender as taught by Ito et al in case the card or funds are not actually received by the recipient” (*Id.*).

Appellant contends that “Ito fails to teach determining whether the recipient receives the electronic money and, if not, providing a monetary credit to the sender” (Appeal Br. 11). More specifically, Appellant contends that Ito “at best teaches determination of receipt of the funds, NOT the standard atm card as recited in the group 2 claims” (*Id.*). However, we note that according to the proposed modification to Downing, the funds are transferred via an ATM card; therefore, a determination of whether or not the funds were received is also a determination of whether or not the ATM card was received. As such, we find Appellant’s argument unpersuasive.

Appellant further contends, with regard to the motivation to combine the cited references, that “it is never appropriate to rely solely on ‘common knowledge’ in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based” (Appeal Br. 11). Although there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness, “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.” *KSR*, 127 S.Ct. at 1741. In rejecting claim 60, the Examiner found that it is well known in the art to credit/refund a sender if the recipient does not receive the funds as taught by Ito. Therefore, the Examiner held it would have

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been obvious to modify the system to Downing to include giving the sender a refund or credit if the recipient does not receive the transferred funds.

Where, as here the rejection is based on the combination of familiar elements according to known methods, it is obvious when it does no more than yield predictable results. *KSR*, 127 S.Ct. at 1739. Appellant has provided no evidence that the proposed modification/combination yields an unexpected result or was uniquely challenging or difficult for one of ordinary skill in the art.

For those reasons discussed *supra*, we sustain the Examiner's rejection of claims 60, 71, and 74 as unpatentable over Downing, Picciallo, and Ito

*Rejection of claims 62-66 as unpatentable over Downing, Picciallo, and Corder.*

Appellant argues claims 62-66 as a group (Appeal Br. 12). We select claim 62 as a representative claim and the remaining claims of the group stand or fall with claim 62. 37 C.F.R. § 41.37(c)(1)(vii).

Appellant contends that claims 62-66 “are non-obvious for the same reasons as stated with respect to the claims of Group 1 [i.e., claims 59, 61, 68-70, 72, 73, and 75],” and because the Examiner failed to “identify any motivation to combine Corder with the other references” (Appeal. Br. 12). In rejecting claim 62, the Examiner held “[i]t would have been obvious...to modify the method of Downing...to provide a convenient method for the recipient to have access to additional funds when the original transfer amount is depleted” (Answer 8). Accordingly, contrary to Appellant's contention, the Examiner provided a reason why one skilled in the art would have combined/modified the cited references.

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We find Appellant's argument regarding the claims of Group 1 and the lack of motivation unpersuasive for those reasons presented *supra*. As such, we sustain the Examiner's rejection of claims 62-66 as unpatentable over Downing, Picciallo, and Corder.

*Rejection of claim 67 as unpatentable over Downing, Picciallo, Corder, and Ito.*

Appellant contends that “[c]laim 67 is non-obvious for the same reasons as stated with respect to the claims of Group 1, Group 2, and Group 3” (Appeal Br. 12). We find Appellant's arguments with regard to the claims of groups 1-3 unpersuasive for those reasons presented *supra*. As such, we sustain the Examiner's rejection of claim 67 as unpatentable over Downing, Picciallo, Corder, and Ito.

#### CONCLUSIONS OF LAW

We conclude Appellant has not shown that the Examiner erred in rejecting claims 59, 61, 68-70, 72, 73, and 75 as unpatentable over Downing and Picciallo, claims 60, 71, and 74 as unpatentable over Downing, Picciallo, and Ito, claims 62-66 as unpatentable over Downing, Picciallo, and Corder, and claim 67 as unpatentable over Downing, Picciallo, Corder, and Ito.

#### DECISION

The Examiner's decision under 35 U.S.C. § 103(a) to reject claims 59-75 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) (2006).

AFFIRMED

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