

1 UNITED STATES PATENT AND TRADEMARK OFFICE

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3  
4 BEFORE THE BOARD OF PATENT APPEALS  
5 AND INTERFERENCES  
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8 *Ex parte* IKUO SAKAGUCHI  
9

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11 Appeal 2008-1569  
12 Application 09/838,185  
13 Technology Center 3600  
14

15  
16 Decided: May 27, 2008  
17

18  
19 Before TERRY J. OWENS, ANTON W. FETTING, and  
20 MICHAEL W. O'NEILL, *Administrative Patent Judges*.  
21 FETTING, *Administrative Patent Judge*.

22 DECISION ON APPEAL

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24 STATEMENT OF CASE  
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26 Ikuo Sakaguchi (Appellant) seeks review under 35 U.S.C. § 134 of a  
27 final rejection of claim 8, the only claim pending in the application on  
28 appeal.

29 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b)  
30 (2002).



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## REJECTION

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Claim 8 stands rejected under 35 U.S.C. § 102(b) as anticipated by Joao.

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## ISSUES

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The issue pertinent to this appeal is whether the Appellant has sustained its burden of showing that the Examiner erred in rejecting claim 8 under

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35 U.S.C. § 102(b) as anticipated by Joao.

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The pertinent issue turns on whether purchase transaction data is transmitted before determining whether an account of the responsible card holder can settle the purchase transaction.

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## FACTS PERTINENT TO THE ISSUES

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The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

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### *Facts Related to Claim Construction*

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01. The disclosure contains no lexicographic definition of “settle.”

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02. The ordinary and customary meaning of “settle” within the context of paying a debt is to pay.<sup>2</sup>

16

17

### *Joao*

18

03. Joao is directed to providing financial transaction authorization, notification and/or security in conjunction with credit card, charge card, debit card, and/or currency or smart card use, savings and/or

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<sup>2</sup> *American Heritage Dictionary of the English Language* (4<sup>th</sup> ed. 2000).

1           checking account activity and use and/or cellular telephone use  
2           (Joao 3:62 – 4:2).

3           04. Joao commences operation when a card, which is to be utilized  
4           in a credit card, charge card, debit card, and/or currency or  
5           "smart" card, or number corresponding thereto, transaction, is  
6           offered at the point-of-sale or other appropriate location  
7           whereupon the attendant or point-of-sale terminal operator will  
8           activate the apparatus in any typical manner, such as by obtaining  
9           a phone line and entering card information into the point-of-sale  
10          terminal. Data entry may typically be performed by swiping the  
11          magnetic strip of the card through a card reader of the point-of-  
12          sale terminal. The information and/or data pertinent to the  
13          transaction and the card is then transmitted to the central  
14          processing computer (Joao 5:26-39).

15          05. Joao then has the central processing computer process the  
16          information and/or data pertinent to the transaction in conjunction  
17          with the card account information in order to determine if the card  
18          has been lost, stolen and/or cancelled and/or de-activated and test  
19          whether the maximum credit, charge or debit account limit has  
20          been exceeded and/or if the card has been depleted of its currency  
21          value (Joao 5:40-51).

22          06. Joao then has the central processing computer determine if the  
23          card has been lost, stolen, and/or cancelled and/or de-activated  
24          and/or if the credit, charge or debit account limit of the card has

1           been reached and/or exceeded and/or if the currency value of the  
2           card has been depleted (Joao 5:52-57).

3           07. Joao then has the central processing computer also perform a  
4           test in order to determine if the predetermined maximum number  
5           of unauthorized transactions have occurred on the account. If any  
6           of the above listed conditions are found to exist (i.e. card is lost,  
7           stolen, cancelled and/or de-activated, or credit, charge or debit  
8           account limit has been reached or exceeded, currency value  
9           depleted, or unauthorized transaction limit reached or exceeded),  
10          the central processing computer may transmit a signal to the point-  
11          of-sale terminal indicating that the transaction is not approved  
12          and/or is not authorized. The point-of-sale terminal operator may  
13          then cancel the transaction. The point-of-sale terminal operator  
14          may then confiscate the card and/or alert the authorities (Joao  
15          5:58-6:3).

16          08. If, however, Joao's central processing computer should  
17          determine that the card is not lost, stolen, cancelled or de-  
18          activated, or that the credit, charge or debit account limit of the  
19          card has not been reached or exceeded, or that the of unauthorized  
20          transactions count has not reached a predefined limit, the central  
21          processing computer may transmit a signal and/or data to the  
22          communication device which is located with the cardholder. The  
23          central processing computer may then also transmit respective  
24          signals and/or data to any one or more of the cardholder's  
25          designated fax machine, personal computer, telephone, telephone



1 specification” without importing limitations from the specification into the  
2 claim unnecessarily)

3       Although a patent applicant is entitled to be his or her own lexicographer  
4 of patent claim terms, in *ex parte* prosecution it must be within limits. *In re*  
5 *Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing  
6 such definitions in the Specification with sufficient clarity to provide a  
7 person of ordinary skill in the art with clear and precise notice of the  
8 meaning that is to be construed. *See also In re Paulsen*, 30 F.3d 1475, 1480  
9 (Fed. Cir. 1994) (although an inventor is free to define the specific terms  
10 used to describe the invention, this must be done with reasonable clarity,  
11 deliberateness, and precision; where an inventor chooses to give terms  
12 uncommon meanings, the inventor must set out any uncommon definition in  
13 some manner within the patent disclosure so as to give one of ordinary skill  
14 in the art notice of the change).

15 *Anticipation*

16       "A claim is anticipated only if each and every element as set forth in the  
17 claim is found, either expressly or inherently described, in a single prior art  
18 reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628,  
19 631 (Fed. Cir. 1987). "When a claim covers several structures or  
20 compositions, either generically or as alternatives, the claim is deemed  
21 anticipated if any of the structures or compositions within the scope of the  
22 claim is known in the prior art." *Brown v. 3M*, 265 F.3d 1349, 1351 (Fed.  
23 Cir. 2001). "The identical invention must be shown in as complete detail as  
24 is contained in the ... claim." *Richardson v. Suzuki Motor Co.*, 868 F.2d  
25 1226, 1236 (Fed. Cir. 1989). The elements must be arranged as required by

1 the claim, but this is not an *ipsissimis verbis* test, i.e., identity of terminology  
2 is not required. *In re Bond*, 910 F.2d 831, 832 (Fed. Cir. 1990).

3 ANALYSIS

4 *Claim 8 rejected under 35 U.S.C. § 102(b) as anticipated by Joao.*

5 Claim 8 is reproduced below [bracketed matter, including citations to  
6 where the Examiner found support for the rejection, and some paragraphing  
7 added].

8 8. A card utilization approval method, comprising in order the  
9 steps of:

- 10 [1] during a purchase transaction at a point of sale using a card,  
11 reading card information at a payment processing  
12 terminal and  
13 transmitting  
14 the card information and  
15 purchase transaction data  
16 to a card authentication and settlement processing device;  
17 [Joao 3:62 – 4:3, 31-35; 5:20-25]  
18 [2] at the card authentication and settlement processing device,  
19 determining  
20 an identity of a responsible card holder and  
21 a mobile device address of the responsible card  
22 holder  
23 based on the card information; [Joao 27:60-62; 32:39-49]  
24 [3] before determining whether an account of the responsible  
25 card holder can settle the purchase transaction,  
26 transmitting the purchase transaction data  
27 from the card authentication and settlement processing  
28 device

1 to the mobile device address of the responsible card  
2 holder; [Joao Abstract:1-11; 4:62 5:2; 6:4-43; 10:64 –  
3 11:30]

4 [4] at the mobile device of the responsible card holder,  
5 receiving the purchase transaction data,  
6 determining whether to authorize the purchase  
7 transaction, and

8 informing the card authentication and settlement  
9 processing device of the determination whether to  
10 authorize the purchase transaction; and [Joao 6:44-61]

11 [5] at the card authentication and settlement processing device,  
12 if the purchase transaction is authorized by the mobile  
13 device of the responsible card holder,

14 determining whether the account of the responsible  
15 card holder can settle the purchase transaction, and  
16 informing both

17 the mobile device of the responsible card  
18 holder and

19 the payment processing terminal

20 whether the account of the responsible card holder  
21 can settle the purchase transaction. [Joao 7:29-34;  
22 8:19-22; 8:67 – 9:5]

23 The Appellant contends that Joao describes a system in which after (not  
24 before) the determination is made whether the account of the responsible  
25 card holder can settle the purchase transaction, the purchase transaction data  
26 is sent to the responsible card holder (Br. 4:First full ¶). The Appellant  
27 contends that Joao first determines whether a card has been lost, stolen,  
28 cancelled or deactivated and it is only after this that Joao communicates with  
29 the cardholder (Br. 4:Bottom ¶).

1 We disagree with the Appellant. We find the Appellant's argument is  
2 not commensurate with the scope of claim 8.

3 We initially find that the Examiner is correct that the remaining  
4 limitations of claim 8 are described by Joao (FF 03 - 08). Therefore the sole  
5 issue before us is whether Joao fails to describe limitation [3], viz. before  
6 determining whether an account of the responsible card holder can settle the  
7 purchase transaction, transmitting the purchase transaction data from the  
8 card authentication and settlement processing device to the mobile device  
9 address of the responsible card holder.

10 The Specification does not provide a lexicographic definition of "settle"  
11 but the usual and customary meaning of settle within the context of claim 8  
12 is to pay (FF 01 & 02). Therefore, limitation [3] requires that the purchase  
13 transaction must be transmitted to the cardholder before determining that the  
14 responsible cardholder can pay the purchase transaction. Thus, the  
15 limitation requires transmitting the data prior to determining the capacity to  
16 pay. The claim provides no criteria for evaluating such a capacity. The  
17 broadest reasonable interpretation of evaluating such capacity is to  
18 determine both the objective constraints on the card and the cardholder's  
19 constraints on the card. Only when all constraints have been evaluated  
20 would it be known that the responsible cardholder can pay.

21 Joao describes requiring authorization by the cardholder after the  
22 cardholder receives the transmission (FF 09). Absent such authorization, the  
23 cardholder will not, and therefore cannot be expected to pay. In such an  
24 instance, since the account cannot pay a transaction without the cardholder's  
25 consent, it is unknown whether an account of the responsible card holder can

1 settle the purchase the purchase transaction, until after transmitting the  
2 purchase transaction data from the card authentication and settlement  
3 processing device to the mobile device address of the responsible card  
4 holder to determine whether authorization is provided.

5 The Appellant argues that once Joao determines that the card is not lost  
6 or stolen, such an evaluation has been made. But this criterion is not in  
7 claim 8. As we found, no criteria for such evaluation is in claim 8. The  
8 broadest reasonable interpretation for such criteria is therefore that all  
9 criteria, including that provided by the cardholder, must be met for such an  
10 evaluation. Joao makes its transmittal prior to this evaluation, as required by  
11 limitation [3] of claim 8.

12 The Appellant has not sustained its burden of showing that the Examiner  
13 erred in rejecting claim 8 under 35 U.S.C. § 102(b) as anticipated by Joao.

#### 14 CONCLUSIONS OF LAW

15 The Appellant has not sustained its burden of showing that the Examiner  
16 erred in rejecting claim 8 under 35 U.S.C. § 102(b) as anticipated by the  
17 prior art.

18 On this record, the Appellant is not entitled to a patent containing claim  
19 8.

#### 20 DECISION

21 To summarize, our decision is as follows:

- 22 • The rejection of claim 8 under 35 U.S.C. § 102(b) as anticipated by  
23 Joao is sustained.

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

3

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AFFIRMED

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8    vsh

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