

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* ROBERT A. BOTHAM and LORNA M. MURRAY

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Appeal 2008-4600  
Application 09/997,340  
Technology Center 2100

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Decided: December 22, 2008

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Before HUBERT C. LORIN, ANTON W. FETTING, and  
JOSEPH A. FISCHETTI, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Robert A. Botham, et al. (Appellants) seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-23, 25-27, 29-32, 34, 35, and 37-39. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

## SUMMARY OF DECISION

We Affirm-in-part.<sup>1</sup>

### THE INVENTION

The invention relates to a method of reconciling physical inventory data with data stored in an asset management system. (Specification [0003].) A physical inventory is taken using a hand held scanning device and the data is up-loaded to a directory on a web-based site. Then the data is converted into an intermediate database. (Specification [0007].) A copy of the most current asset management database is obtained. Then a user compares the intermediate database and the copy of the asset management database using a web-based interface and makes necessary changes. Finally, the main asset management database is updated. (Specification [0008].)

Claim 1, reproduced below, is illustrative of the subject matter on appeal.

1. A method of reconciling physical inventory against an asset management database, the method comprising:
  - taking a physical inventory;
  - creating raw inventory data;
  - transferring the raw inventory data to a web server;
  - converting the raw inventory data into an intermediate database;
  - creating a copy of the asset management database;

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<sup>1</sup> Our decision will make reference to the Appellants' Appeal Brief ("App. Br.," filed Dec. 19, 2007) and Reply Brief ("Reply Br.," filed Mar. 7, 2008), and the Examiner's Answer ("Answer," mailed Feb. 20, 2008).

reconciling records in the intermediate database against corresponding records in the copy of the asset management database by way of a web browser; and updating the asset management database with records accepted during the reconciling step.

### THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Christensen                      US 6,662,193 B1                      Dec. 9, 2003

XAssets Fixed Asset Management Software,  
<http://web.archive.org/web/20011202162131/http://www.xassets.com>  
(last visited April 2, 2007) (Hereinafter referred to as “XAssets”).

Suzanne Ekman, *Bar Coding Fixed Asset Inventories*, Management Accounting 58 (Dec. 1992) (Hereinafter referred to as “Ekman”).

The following rejections are before us for review:

1. Claims 1-23, and 25-27 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Christensen in view of XAssets.
2. Claims 29-32, 34, 35, and 37-39 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Christensen in view of XAssets and further in view of Ekman.

### ISSUES

The first issue before us is whether the Appellants have shown that the Examiner erred in rejecting claims 1-23 and 25-27 under 35 U.S.C. § 103(a) as being unpatentable over Christensen in view of XAssets. Specifically,

does the combination of Christensen and XAssets lead one of ordinary skill in the art to a method comprising the steps of 1) creating a copy of the asset management database and 2) reconciling records in the intermediate database against corresponding records in the copy of the asset management database by way of a web browser?

The second issue before us is whether the Appellants have shown that the Examiner erred in rejecting claims 34-35 and 37-39 under 35 U.S.C. §103(a) as being unpatentable over Christensen in view of XAssets and further in view of Ekman. Specifically, does the combination of Christensen, XAssets and Ekman lead one of ordinary skill in the art to a method comprising the steps of 1) placing identifying indicia on each location code in the asset management database and 2) identifying assets not found during the physical inventory in the asset management database by identifying location codes having the identifying indicia?

The third issue before us is whether the Appellants have shown that the Examiner erred in rejecting claim 29-32 under 35 U.S.C. § 103(a) as being unpatentable over Christensen in view of XAssets and further in view of Ekman. Specifically, does the combination of Christensen, XAssets and Ekman lead one of ordinary skill in the art to a method comprising the step of placing identifying indicia on a portion of each record in the asset management database before the step of making a copy of the asset management database?

#### FINDINGS OF FACT

We find that the following enumerated findings of fact (FF) 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).

*Claim construction*

1. Claim 1 recites “creating a copy of the asset management database.”
2. The Specification does not provide a definition for “copy.”
3. The ordinary and customary meaning of “copy” is “an imitation, transcript, or reproduction of an original work (as a letter, a painting, a table, or a dress.” (*See Merriam-Webster’s Collegiate Dictionary* 256 (10<sup>th</sup> Ed. 1993,) (Entry for “copy”; n.).
4. Claim 1 also recites “reconciling records in the intermediate database against corresponding records in the copy of the asset management database by way of a web browser.”
5. Claim 34 recites “placing identifying indicia on each location code in the asset management database.”
6. Claim 34 recites “writing location codes, associated with assets, to the asset management database without the identifying indicia.”
7. Claim 34 recites “identifying assets not found during the physical inventory in the asset management database by identifying location codes having the identifying indicia.”
8. Claim 29 recites “before the step of making a copy of the asset management database, placing an identifying indicia on a portion of each record in the asset management database.”

*The scope and content of the prior art*

9. Christensen relates to systems and methods for updating inventory. (Col. 1, ll. 11-14.)

10. The system includes a storage module having a database 240, in which inventory data is maintained. (Col. 6, ll. 22-29.)
11. The storage module communicates with a data control module. (Col. 6, ll. 33-34.)
12. After receiving a request, the data control module retrieves data from the database and places it into a data file 246. (Col. 7, ll. 55-59.)
13. Column 10, lines 41-56 of Christensen states,

A user prepares system **200** for performing an inventory update. The user requests data from storage module **206**, either through PDA module **230** or directly through manipulation module **220**, as represented by block **280**. When enterprise resource planning application **244** is capable of creating data file **246**, enterprise resource planning application **244** through database management system **242** retrieves the requested data from database **240**, as represented by block **284**. In the event that enterprise resource planning application **244** is incapable of generating data file **246**, interface module **250** gathers the inventory data from database **240** (block **286**). Once the data, having a storage data structure, is gathered either by enterprise resource planning application **244** and database management system **242** or interface module **250**, the data is stored within data file **246**, as depicted by block **288**.

14. After data is placed into the data file 246, the manipulation module retrieves the data from data file 246. (Col. 11, ll. 12-20.)

15. The manipulation module can convert the data and send it to the PDA module for updating. (Col. 11, ll. 21-25.)
16. The manipulation module also reconciles updated data and with the data contained within database 240. (Col. 12, ll.14.)
17. Christensen does not describe the data manipulation module communicating directly with the data storage module.
18. In the embodiment of Figures 2 and 3 of Christensen, the storage module and the manipulation module are not directly connected by arrows.
19. Figure 2 of Christensen is reproduced below.

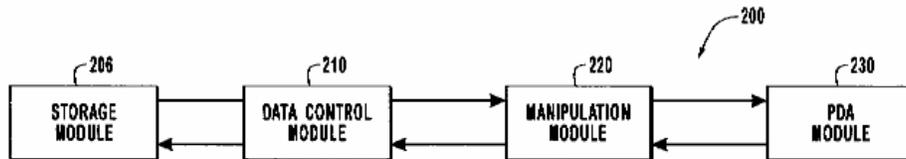


FIG. 2

Figure 2 is a schematic showing the connection between the four modules of the Christensen system.

20. Figure 3 of Christensen is reproduced below.

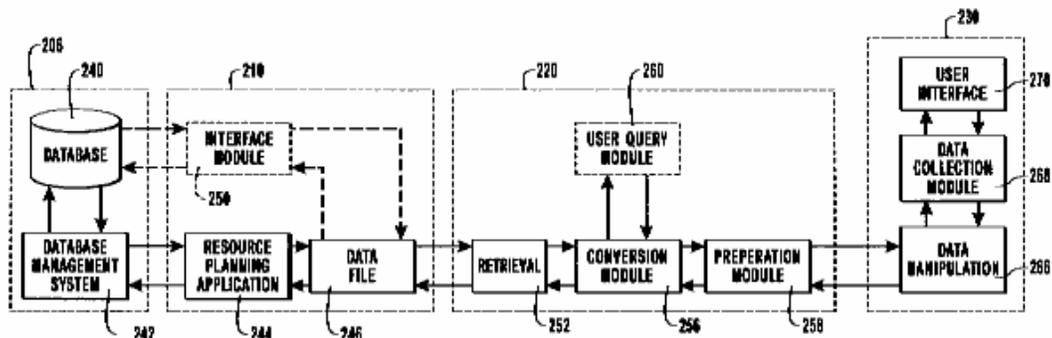


FIG. 3

Figure 3 is a schematic further depicting the connection between the elements of the four modules in Christensen.

21. XAssets relates to software used in asset management.
22. XAssets describes using a web browser to run the software. (Para. 4.)
23. Ekman relates to fixed asset physical inventories. (Pg. 58.)
24. Ekman downloads a subledger of fixed asset records into a bar code reader. (Pg. 60.)
25. Ekman describes flagging a fixed asset record to indicate that the asset has been counted and whether it has been changed. (Pg. 60.)
26. Ekman describes creating custom reports of remaining exception after a first pass of reconciliation so that accounting can resolve the exceptions. (Pg. 60.)
27. Ekman describes replacing the old fixed asset subledger data with the new physical inventory data after reconciliation is complete. (Pg. 60.)

*Any differences between the claimed subject matter and the prior art*

28. Christensen does not describe using a web browser to reconcile the data.
29. As admitted by the Examiner, Christensen does not describe placing an identifying indicia on each location code in the asset management database and identifying assets not found during the inventory by identifying location codes having the identifying indicia. (Answer 7-8.)

30. The Examiner admits that Ekman operates differently by placing the flag on the record in a subledger contained within a bar code ledger. (Answer 11.)

*The level of skill in the art*

31. Neither the Examiner nor the Appellants has addressed the level of ordinary skill in the pertinent art of asset management systems. We will therefore consider the cited prior art as representative of the level of ordinary skill in the art. *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’”) (Quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985)).

*Secondary considerations*

32. There is no evidence on record of secondary considerations of non-obviousness for our consideration.

## PRINCIPLES OF LAW

*Claim Construction*

During examination of a patent application, a pending claim is given the broadest reasonable construction consistent with the specification and should be read in light of the specification as it would be interpreted by one of ordinary skill in the art. *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). “[W]e look to the specification to see if it provides a definition for claim terms, but otherwise apply a broad interpretation. As

this court has discussed, this methodology produces claims with only justifiable breadth. *In re Yamamoto*, 740 F.2d 1569, 1571 (Fed. Cir. 1984). Further, as applicants may amend claims to narrow their scope, a broad construction during prosecution creates no unfairness to the applicant or patentee. *Am. Acad.*, 367 F.3d at 1364.” *In re ICON Health and Fitness, Inc.*, 496 F.3d 1374, 1379 (Fed. Cir. 2007). Limitations appearing in the specification but not recited in the claim are not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed. Cir. 2003).

#### *Obviousness*

“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.

## ANALYSIS

*The Rejection of Claims 1-23 and 25-37 under 35 U.S.C. § 103(a).*

The Appellants argue claims 1-23 and 25-37 as a group (App. Br. 11). We select claim 1 as the representative claim for this group, and the remaining claims 2-23 and 25-37 stand or fall with claim 1. 37 C.F.R. § 41.37(c)(1)(vii) (2007).

The Appellants argue that the Examiner erred in rejecting claim 1 because Christensen does not disclose the steps of creating a *copy* of the asset management database and reconciling records in the intermediate database against corresponding records in the *copy* of the asset management database because Christensen reconciles *directly* against the data in database 240. (App. Br. 12.) The Appellants state “Christensen expressly teaches reconciliation against main asset database 240” (App. Br. 15) and points to Column 12, lines 6-13 for this purpose.<sup>2</sup>

The Examiner contends that Christensen inherently creates a copy of the database and reconciles against the copy of the asset management database.

In determining the scope and content of the prior art, we consider not only whether the elements are found expressly in the prior art reference, but also whether the elements are found inherently therein.

To establish inherency, the extrinsic evidence must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that

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<sup>2</sup> Christensen at column 12, lines 6-13, states “Upon conversion of the data, a reconciliation of the updated data with the data contained within the database **240** occurs....”

it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.

*In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999) (citations omitted) (internal quotation marks omitted).

We find that the system in Christensen reconciles updated data against a copy of the database since Christensen describes a data control module that retrieves data from database 240 and places it into a data file 246 (FF 11-14) and Christensen does not describe a direct connection between the manipulation module and the storage module containing the database (FF 17).

Christensen expressly describes how data requested by the PDA module is retrieved from database 240 in storage module (FF 13) by the data control module. The data control module places the requested data into data file 246. (FF 12-14.) The requested data is then retrieved by the manipulation module, converted and transmits it to the PDA module. (FF 15.) The PDA module updates the requested data via the user interface (FF 15) and then sends the updated data back to the manipulation module for reconciliation (FF 16). Christensen also expressly states that user requests for data can come directly from the manipulation module. (FF 13.)

The manipulation module reconciles the updated data with the data contained in database 240. (FF 17.) Christensen does not expressly describe how the manipulation module retrieves the data from database 240 for reconciling. One of ordinary skill in the art would understand that the data

must necessarily be retrieved in the same manner as for the data requested the PDA module or requested by a user through the manipulation module. Christensen does not describe another means of retrieving data from database 240. Christensen does not describe the manipulation module communicating directly with the data storage module. (FF 17.) Further, as shown in Figs. 2 and 3 above (FF 19 and 20), the manipulation module is not directly connected to the storage module, which contains the database 240. Arrows connect the manipulation module to the data control module and the control module to the data storage module but there are no arrows directly connecting the manipulation module to the storage module. (FF 18.) Therefore, data from database 240 used in reconciling by the manipulation module must be obtained in the manner described above.

The data from database 240 used in reconciling must be the same as that requested by the PDA module before updating. Since the same data is requested multiple times from database 240, copies of the data are necessarily placed into file 246. Otherwise, the same data would not be available when requested for use in reconciling and reconciling could not occur. The data placed in file 246 is necessarily a copy of the data in database 240. Therefore, Christensen inherently creates a copy of the database 240 and reconciles against the copy.

We find that the Examiner did not err in rejecting claims 1-23 and 25-37 under 35 U.S.C. § 103(a) since Christensen inherently discloses creating a copy of the database 240 and reconciling against the copy of the database 240.

*The Rejection of Claims 34-35 and 37-39 under 35 U.S.C. §103(a).*

The Appellants argued claims 34-35 and 37-39 as a group (App. Br. 15). We select claim 34 as the representative claim for this group, and the remaining claims 35 and 37-39 stand or fall with claim 34. 37 C.F.R. § 41.37(c)(1)(vii) (2007).

Appellants argue that the Examiner erred in rejecting claim 34 because the combination of Christensen, XAssets, and Ekman does not lead one of ordinary skill in the art to 1) place the identifying indicia on each location code in the asset management database and 2) identify assets not found during the physical inventory in the asset management database by identifying location codes having the identifying indicia. Appellants argue Ekman flags only asset records which have been counted instead of each asset record in the old fixed asset subledger and Ekman places the flags on the record in the subledger within the bar code reader and instead of the old fixed asset subledger. (App. Br. 16.)

The Examiner admits that “Christensen does not expressly teach a method of reconciliation that involves placing indicia on a portion of the copied asset management database, updating the asset management database with records without the identifying indicia, and using the indicia to identify asset records *not found* during the inventory.” (Answer 7-8.) The Examiner cites Ekman to teach only that it was known to the art of inventory assessment at the time of invention to place a flag on each location code (for each resource) in an asset management database. (Answer 10.) However, the Examiner states that one of ordinary skill in the art would have found the steps recited in claim 34 obvious given the teaching of Ekman to place indicia in a database.

Claim 34 recites 1) “placing identifying indicia on each location code in the asset management database,” 2) “writing location codes, associated with assets, to the asset management database without the identifying indicia,” and 3) “identifying assets not found during the physical inventory in the asset management database by identifying location codes having the identifying indicia.”

Obviousness requires “a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does.” *KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1741 (2007). “The first issue we address with respect to obviousness is the scope and content of the prior art—specifically whether the prior art exhibited every step of the methods claimed in independent claims 1 and 31 of the ’099 patent.” *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318, 1325 (Fed. Cir. 2008).

We find that Ekman does not describe placing an identifying indicia on records in *the asset management database and* identifying asset not found during the physical inventory *in the asset management database* by identifying location codes having the identifying indicia as recited in claim 34. Ekman flags the asset records of a subledger within the bar code reader. (FF 24- 25.) The subledger corresponds to the intermediate database in claim 34 and to the updated data in the manipulation module in Christensen. Further, in Ekman a custom report of exceptions is generated before new data replaces the old data. (FF 26-27.) This does not lead one of ordinary skill to the steps of identifying asset not found during the physical inventory *in the asset management database* by identifying location codes having the identifying indicia and identifying asset not found during the physical

inventory *in the asset management database* by identifying location codes having the identifying indicia as recited in claim 34.

Neither Christensen nor Ekman would lead one to place the identifying indicia on the records in the asset management database as opposed to the intermediate database and identifying location codes in the asset management database. Further, the Examiner does not provide a reason as to why one of ordinary skill in the art would specifically flag the records in the asset management database and perform the step of identifying in the asset management database.

We hold that the combination of Christensen, XAssets, and Ekman would not lead one of ordinary skill in the art to all of the steps of claim 34. A prima facie case of obviousness of claim 34 under 35 U.S.C. § 103(a) as being unpatentable over Christensen, XAssets, and Ekman has therefore not been established. Accordingly, we reverse the rejection of claims 34 and its dependent claims 35 and 37-39.

*The Rejection of Claims 29 and 32 under 35 U.S.C. §103(a).*

Claim 29 recites “before the step of making a copy of the asset management database, placing identifying indicia on a portion of each record in the asset management database.” However, unlike claim 34, claim 29 does not require writing updated records without the identifying indicia to the asset management database. Claim 29 merely recites flagging records in the asset management database and does not further recite how or when the flags are used. Ekman discloses the use of flags in reconciling databases (FF 25) and thus we hold that the Appellants have not shown that the Examiner erred in rejecting claim 29 and 32 under 35 U.S.C. § 103(a) as being

unpatentable over Christensen in view of XAssets and further in view of Ekman.

We also shall sustain the standing 35 U.S.C. § 103(a) rejection of dependent claim 32 as being unpatentable over Christensen, XAssets, and Ekman since the Appellants have not challenged such with any reasonable specificity, thereby allowing claim 32 to stand or fall with parent claim 29 (*see In re Nielson*, 816 F.2d 1567, 1572 (Fed. Cir. 1987)).

*The Rejection of Claims 30-31 under 35 U.S.C. §103(a).*

Dependent claim 30 contains limitations similar to claim 34, including a step of writing updated records to the asset management database without the identifying indicia. For the same reasons as provided for claim 34, we find that the Examiner has not established a prima facie case of obviousness of claim 30 or its dependent claim 31.

#### CONCLUSIONS OF LAW

We conclude that the Appellants have not shown that the Examiner erred in rejecting claims 1-23 and 25-27 under 35 U.S.C. § 103(a) as unpatentable over Christensen and XAssets and in rejecting claims 29 and 32 under 35 U.S.C. § 103(a) as unpatentable over Christensen, XAssets, and Ekman. However, we conclude that the Appellants have shown that the Examiner erred in rejecting claims 30-31, 34-35, and 37-39 under 35 U.S.C. § 103(a) as unpatentable over Christensen, XAssets, and Ekman.

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Application 09/997,340

DECISION

The decision of the Examiner to reject claims 1-23, 25-27, 29-32, 34-35, and 37-39 is affirmed-in-part.

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

AFFIRMED-IN-PART

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