

THIS OPINION WAS NOT WRITTEN FOR PUBLICATION

The opinion in support of the decision being entered today  
(1) was not written for publication in a law journal and  
(2) is not binding precedent of the Board.

Paper No. 27

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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Ex parte FRANK D. BYRLEY

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Appeal No. 95-0456  
Application 07/933,960<sup>1</sup>

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ON BRIEF

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Before KRASS, BARRETT, and LEE, Administrative Patent Judges.  
KRASS, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal from the final rejection of  
claims 1 through 6, 12 and 13, all of the claims pending in  
the application.

The invention pertains to an apparatus and method for  
electronic marketing, best understood from an analysis of  
representative independent claim 1, reproduced as follows:

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<sup>1</sup> Application for patent filed August 21, 1992. According  
to appellant, this application is a continuation of  
Application 07/488,144, filed March 5, 1990, now abandoned.

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1. A system for processing selected transactions, comprising in combination:

a master accounting station including recording means for recording and updating information with respect to specific accounts;

a plurality of account processing stations;

a plurality of magnetic stripe cards, wherein one or more cards represents an account;

a plurality of magnetic stripe readers capable of reading information encoded on the plurality of magnetic stripe cards, with at least one of the magnetic stripe readers operatively connected to each of the plurality of account processing stations;

a plurality of magnetic stripe encoders capable of encoding information onto the plurality of magnetic stripe cards, with at least one of the magnetic stripe encoders operatively connected to each of the plurality of account processing stations;

wherein each of the plurality of account processing stations receives information from its respective at least one reader and sends processed information to its respective at least one encoder; and

an automatic communication system operable for the automatic transmission of information from the plurality of account processing stations to the master accounting station, wherein an account processing station transmits information read from a magnetic stripe card to the master accounting station if that information meets a first predetermined condition regarding transactions since transaction information was last transferred to the master accounting station, and wherein any transaction is processed entirely off-line from the master accounting station if that information does not meet the first predetermined condition, and the result of the transaction is encoded onto the magnetic stripe card by the associated at least one magnetic stripe encoder.

The examiner relies on the following references:

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Braun	3,594,727	Jul. 20, 1971
Takesako	4,641,239	Feb. 3, 1987
Hudson et al. (Hudson)	4,650,978	Mar. 17, 1987
Bergeron et al. (Bergeron)	4,882,473	Nov. 21, 1989

Claims 1 through 6, 12 and 13 stand rejected under 35 U.S.C. ' 103 as unpatentable over either one of Braun or Takesako in view of Hudson in further view of Bergeron.

Reference is made to the briefs and answers for the respective positions of appellant and the examiner.

#### OPINION

We will not sustain the rejection of claims 1 through 6, 12 and 13 under 35 U.S.C. ' 103 because the examiner has failed to establish a prima facie case of obviousness with regard to the instant claimed subject matter.

In short, the examiner has not articulated a cogent rationale as to how or why the applied references would have been combined in any particular manner so as to arrive at the instant claimed subject matter. In the principal answer, the examiner never even makes an explicit statement as to the specific ground of rejection, referring, instead, via a handwritten note, at line 5 of page 2, to "BRIEF, P.3." Additionally, the examiner never fully explains the rejection.

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Rather than specifically applying the teachings of the references to the claim language, the examiner merely refers, generally, to ATM operations and on-line operations in various sections of Takesako and to "the obviousness of explicit client account card data requesting 'on-line' operation" [principal answer, page 2] at column 9 of Bergeron. There is no explanation as to how or why these alleged teachings of the two references are to be combined. Additionally, although Braun and Hudson form part of the rejection, and Braun is applied as a primary reference, alternatively to Takesako, the examiner never specifically applies the teachings of these references to the claim language nor does the examiner indicate how or why these teachings would be combined with the teachings of Takesako and/or Bergeron to arrive at the instant claimed subject matter. In the principal answer, at page 3, the examiner's sole reliance on Braun and Hudson is for the proposition that "[d]ebit ATM card concepts are notoriously old, in any case, as shown by Braun and Hudson." Reference to the final rejection is no help in ascertaining the true nature of the rejection as it merely refers to things "discussed previously" [page 2, final rejection]. Further reference back to the office action of February 3, 1993 merely references

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"prior art as set forth previously further in view of Bergeron" [page 2]. References back to office actions of May 21, 1992 and September 18, 1991 are similarly useless in ascertaining a full explanation of the examiner's application of the references to the claim language. Then, when one goes all the way back to the office action of February 11, 1991, it is discovered that the rejection of claims 1 through 12 therein is based on a different statutory section, i.e., 35 U.S.C. ' 102.

Accordingly, the examiner never explains his position with regard to how the cited references are specifically applied to the claim language. Normally, we would summarily remand the application to the examiner for correction and explanation. However, in the instant case, for the reasons infra, and for reasons of expediency, we will merely reverse the examiner's rejection under 35 U.S.C. ' 103 because there is clearly no case of prima facie obviousness established with regard to claimed subject matter in view of the applied references.

Independent claims 1, 12 and 13 all require automatic communication wherein the communication is from the account processing stations to the master accounting station if

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information on the magnetic stripe card "meets a first predetermined condition" regarding "transactions since transaction information was last transferred to the master accounting station" and wherein the transaction is processed off-line from the master accounting station if that information does not meet the first predetermined condition, the result of the transaction being encoded onto the magnetic stripe card.

Clearly, though Braun does disclose a card reader, Braun does not disclose an encoder for encoding information onto a plurality of magnetic stripe cards. Takesako does disclose both reading to a card and encoding information on a card but there is nothing suggested therein regarding the claimed operation of the automatic communication for transmitting information. The examiner points to "lines 55 of col. 4 and continuing in col. 5" [principal answer, page 2] of Takesako and contends that the predetermined condition "could be merely the read card information being collated and cooperating with a 'transfer request' as opposed to 'passbook'." Collating and reading card information, in our view, falls far short of a "predetermined condition," as claimed. However, even if we were to consider that a debit card system, similar to that

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disclosed by Hudson, may be suggestive of a "predetermined condition" in the sense that if the transaction is for less than the amount of money in the account indicated by the debit card, then the transaction is permitted to take place and if the account balance is less than the amount of the transaction, then the transaction does not take place, the "predetermined condition" being the account balance on the debit card, this still does not meet or make obvious the limitations appearing in the claims. Clearly, the "predetermined condition" in the prior art debit card scenario has nothing to do with "transactions since transaction information was last transferred to the master accounting station" and there is nothing in such a prior art debit card system to suggest the claimed alternative on-line or off-line transactions, the choice being dependent on the data content of the magnetic stripe card. While Bergeron teaches an on-line wagering system, there is nothing therein to suggest this alternative on-line or off-line transaction dependency on data content. While appellant strenuously argues [principal brief, page 5] this non-obvious point of distinction, with which we agree, the examiner never comes to grips with this claim limitation.

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The examiner's decision rejecting claims 1 through 6, 12  
and 13 under 35 U.S.C. ' 103 is reversed.

REVERSED

Errol A. Krass	)	
Administrative Patent Judge	)	
	)	
	)	
	)	
Lee E. Barrett	)	BOARD OF PATENT
Administrative Patent Judge	)	APPEALS AND
	)	INTERFERENCES
	)	
	)	
Jameson Lee	)	
Administrative Patent Judge	)	

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