

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MARK HARRISON and HUGO OLLIPHANT

Appeal 2012–008091
Application 11/095,411
Technology Center 3600

Before ANTON W. FETTING, MICHAEL W. KIM, and
PHILIP J. HOFFMANN, *Administrative Patent Judges*.
FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE¹

Mark Harrison and Hugo Olliphant (Appellants) seek review under 35 U.S.C. § 134 of a final rejection of claims 1–21, 23–27, and 29–39, the only claims pending in the application on appeal. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b).

¹ Our decision will make reference to the Appellants’ Appeal Brief (“Br.,” filed December 12, 2011) and the Examiner’s Answer (“Ans.,” mailed January 30, 2012).

The Appellants invented a way of making a payment to a third party via a financial service provider using a network-based device (Specification para. 1).

An understanding of the invention can be derived from a reading of exemplary claim 1, which is reproduced below [bracketed matter and some paragraphing added].

1. A system comprising:

[1] one or more servers associated with a financial service provider, the one or more servers including:

[2] at least one processor;

[3] an interface configured to receive

an identifier

corresponding to an offer

by a third party

at the financial service provider

from a network-based device

via a network,

the network-based device being associated with a user;

and

[4] a payment transfer module

[4.1] implemented by the at least one processor and configured to perform,

responsive to receiving the identifier,

an automatic transfer of a payment from the user to the third party via the financial service provider

without providing user financial information to the third party,

[4.2] the financial service provider performing the automatic transfer by initiating both

a debit to an account of the user
and
a credit to an account of the third party.

The Examiner relies upon the following prior art:

Payne	US 5,715,314	Feb. 3, 1998
Ginter	US 5,892,900	Apr. 6, 1999
Linehan	US 6,327,578 B1	Dec. 4, 2001
Claiborne	US 2002/0169662 A1	Nov. 14, 2002
Reay	US 6,882,979 B1	Apr. 19, 2005

Claims 11–21, 23, 24, 33, and 36 stand rejected under 35 U.S.C. § 101 as directed to non–statutory subject matter.

Claims 1–10, 27, 29–32, and 37–39 stand rejected under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention.²

Claims 1–21, 23–27, 30, 32–34, 36, and 37 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Payne and Linehan.

Claims 29, 31, and 35 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Payne, Linehan, and Ginter.

Claim 38 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Payne, Linehan, and Reay.

² The statutory statement of rejection excludes claim 27 (Ans. 6), but the analysis includes a rejection of claim 27 (Ans. 7). Appellants filed an amendment on Aug. 25, 2011, after the Final Rejection to cancel claim 27,

Claim 39 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Payne, Linehan, and Claiborne.

ISSUES

The issues of indefiniteness turn primarily on whether one of ordinary skill understood the limitations. The issues of obviousness turn primarily on whether double entry bookkeeping was known at the time of the invention.

FACTS PERTINENT TO THE ISSUES

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

Facts Related to the Prior Art

Payne

01. Payne is directed to user-interactive network sales systems for implementing an open marketplace for goods or services over computer networks such as the Internet. Payne 1:15–17.
02. Payne describes a network-based sales system with a buyer computer to buy a product, a merchant computer, and a payment computer. The buyer computer receives a user request for purchasing a product, and sends a payment message to the payment computer with a product identifier. The payment computer receives the payment message, creates an access

but the amendment was not entered. *See* Advisory Action mailed Sept. 8, 2011.

message with the product identifier and an access message authenticator based on a cryptographic key, and sends the access message to the merchant computer. The merchant computer receives the access message, verifies the access message authenticator to ensure that the access message authenticator was created using the cryptographic key, and causes the product to be sent to the user desiring to buy the product. Payne 1:50–2:2.

03. Payne describes a purchase transaction that begins when a user at buyer computer requests advertisements. The user browses through the advertising document and requests a product. This results in the buyer computer sending payment URL A to the payment computer. Payment URL A includes a product identifier that represents the product the user wishes to buy, a domain identifier that represents a domain of products to which the desired product belongs, a payment amount that represents the price of the product, a merchant computer identifier that represents merchant computer, a merchant account identifier that represents the particular merchant account to be credited with the payment amount. Payne 5:16–37.

04. Payne describes the payment computer verifying whether the user account has sufficient funds or credit. If so, the payment computer creates an access URL that includes a merchant computer identifier, a domain identifier, a product identifier, an indication of the end of the duration time for which access to the product is to be granted, the buyer network address, and an access URL authenticator that is a digital signature based on a

cryptographic key. The payment computer then records the product identifier, the domain, the user account, the merchant account, the end of duration time, and the actual payment amount in the settlement database. Payne 7:14–30.

Linehan

05. Linehan is directed to computer networks and more particularly to electronic commerce. Linehan 1:5–6.
06. Linehan adds an issuer gateway and moves the credit/debit card authorization function from the merchant to the issuer. This enables an issuer to independently choose alternate authentication mechanisms without changing the acquirer gateway. Linehan 4:2–7.
07. Linehan describes a payment transfer module responsive to receiving a transaction identifier, to automatically transfer a payment from the purchaser to the merchant via card issuer without providing user financial information to the merchant. Linehan 4:10–64.

ANALYSIS

Claims 1–10, 27, 29–32, and 37–39 rejected under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention

As to claims 1–10, 29–32, and 37–39, we are persuaded by the Appellants’ arguments. Br. 17–18. Claim 27 is not argued, but is indicated

as being cancelled. A review of the record shows that the amendment cancelling claim 27 was filed after the Final Rejection and was not entered. Thus, claim 27 is still in the record. Accordingly we summarily affirm the rejection of claim 27.

*Claims 1–21, 23–27, 30, 32–34, 36, and 37 rejected under 35 U.S.C. §
103(a) as unpatentable over Payne and Linehan*

The only limitation in claim 1 under contention is [4.2] of initiating a debit to the user account and credit to the third party account. We are not persuaded by the Appellants' argument that the Examiner's taking of official notice is unwarranted. Br. 19–20. In particular, we find the argument that the prior art references themselves must teach or suggest every limitation is erroneous. The prior art must show that the differences were predictable to one of ordinary skill. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 417 (2007). Debiting and crediting the accounts of purchaser and vendor is the prototypical example of the notoriously old and well known practice of double entry bookkeeping. The Examiner found that this might even occur in the same institution after a bank consolidation. But the Examiner went further than necessary because the limitation only requires initiation of the transaction, not the execution itself. The fact that both references applied perform payment transfer is sufficient to show the necessary bookkeeping that would inherently follow.

The Examiner made findings as to how the art described claims 2, 3, 5, 6, 8, 15–17, 36, and 37. Ans. 10–17. In addition, the Examiner found that some of the limitations in these claims are non-functional and deserving of

no patentable weight. Appellants argued that the limitations were functional, but not that the art failed to describe these limitations. Br. 21–23. Thus, we find the arguments unpersuasive.

As to claims 32 and 34, the Examiner found that because the parent claims 30 and 33 contain alternative limitations and that if some of those limitations were found in the art, claims 32 and 34 would be inoperative, the limitations of claims 32 and 34 should be afforded no patentable weight. We adopt this reasoning.

Claims 29, 31, and 35 rejected under 35 U.S.C. § 103(a) as unpatentable over Payne, Linehan, and Ginter

These claims are argued on the basis of the parent claims.

Claim 39 rejected under 35 U.S.C. § 103(a) as unpatentable over Payne, Linehan, and Claiborne

This claim is argued on the basis of the parent claims.

Claim 38 rejected under 35 U.S.C. § 103(a) as unpatentable over Payne, Linehan, and Reay

This claim is argued on the basis of the parent claims.

Claims 11–21, 23, 24, 33, and 36 rejected under 35 U.S.C. § 101 as directed to non–statutory subject matter

We need not reach this rejection as the rejections over art are dispositive.

CONCLUSIONS OF LAW

The rejection of claims 1–10, 29–32, and 37–39 under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention is improper.

The rejection of claim 27 under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention is summarily affirmed.

The rejection of claims 1–21, 23–27, 30, 32–34, 36, and 37 under 35 U.S.C. § 103(a) as unpatentable over Payne and Linehan is proper.

The rejection of claims 29, 31, and 35 under 35 U.S.C. § 103(a) as unpatentable over Payne, Linehan, and Ginter is proper.

The rejection of claim 39 under 35 U.S.C. § 103(a) as unpatentable over Payne, Linehan, and Claiborne is proper.

The rejection of claim 38 under 35 U.S.C. § 103(a) as unpatentable over Payne, Linehan, and Reay is proper.

The rejection of claims 11–21, 23, 24, 33, and 36 under 35 U.S.C. § 101 as directed to non–statutory subject matter is not reached.

DECISION

The rejection of claims 1–21, 23–27, and 29–39 is affirmed.

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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) (2011).

AFFIRMED

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