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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DANIEL EZELL

Appeal 2019-004532
Application 14/312,442
Technology Center 3600

Before DONALD E. ADAMS, ERIC B. GRIMES, and
RICHARD M. LEBOVITZ, *Administrative Patent Judges*.

LEBOVITZ, *Administrative Patent Judge*.

DECISION ON APPEAL

The Examiner rejected the claims under 35 U.S.C. § 103 as obvious. Pursuant to 35 U.S.C. § 134(a), Appellant¹ appeals from the Examiner's decision to reject the claims. We have jurisdiction under 35 U.S.C. § 6(b).

We REVERSE.

¹ We use the word "Appellant" to refer to "applicant" as defined in 37 C.F.R. § 1.42. Appellant identifies the real party in interest as Daniel Ezell. Appeal Br. 2.

STATEMENT OF THE CASE

The Examiner finally rejected the claims as follows:

Claims 42–57, 62, and 63 under pre-AIA 35 U.S.C. § 103(a) as obvious in view of Holmes (US 2011/0184751 A1, published July 28, 2011) (“Holmes”), Witter et al. (US 2006/0277110 A1, published Dec. 7, 2006) (“Witter”), Zaccaro et al. (US 8,719,048 B1, issued May 6, 2014) (“Zaccaro”), and Malone et al. (US 2013/0168300 A1, published July 4, 2013) (“Malone”). Final Act. 3.

Claims 58, 59, and 61 under pre-AIA 35 U.S.C. § 103(a) as obvious in view of Holmes, Witter, Zaccaro, Malone, and further in view of Mallett et al. (US 2007/0250339 A1, published Oct. 25, 2007) (“Mallett”). Final Act. 34.

Claim 60 under pre-AIA 35 U.S.C. § 103(a) as obvious in view of Holmes, Witter, Zaccaro, Malone, Mallett, and further in view of Hamilton (US 2001/0041968 A1, published Nov. 15, 2001) (“Hamilton”). Final Act. 39.

Independent claim 42 is illustrative and reproduced below (bracketed numbering added for reference to the limitations in the claim):

42. A method comprising:

[1] receiving, by a computer user interface device of a kiosk station, product information associated with a packaged item at the kiosk station, wherein the packaged item contains a pharmaceutical product, and wherein the product information comprises an indication that the pharmaceutical product is to be returned;

[2] forming, via a special-purpose computer, a return determination based on whether the pharmaceutical product qualifies for a credit using return policy information and the product information, wherein the return policy information

comprises database data on credit criteria for the pharmaceutical product;

[3] obtaining verification information of the pharmaceutical product in accordance with the return policy information and the product information, wherein the obtaining of verification information of the pharmaceutical product comprises:

capturing an image of the packaged item via a camera at the kiosk station; and

weighing, via a scale at the kiosk station, the packaged item to obtain a weight of the packaged item and the pharmaceutical product, wherein a surface of the scale is within a field-of-view of the camera;

[4] transmitting, to the pharmaceutical manufacturer, the verification information, wherein the verification information comprises the image and the weight;

[5] providing credit information for the pharmaceutical product upon the return determination and the obtained verification information;

[6] upon provision of the credit information, categorizing, via the special purpose computer, the pharmaceutical product based on the product information, wherein the categorizing includes at least one of determining that the pharmaceutical product of the packaged item belongs to a first category and determining that the pharmaceutical product of the packaged item belongs to a second category;

[7] opening a first disposal channel in response to determining that the pharmaceutical product of the packaged item belongs to the first category, wherein the first disposal channel leads to a first container; and

[8] opening a second disposal channel in response to determining that the pharmaceutical product of the packaged item belongs to the second category, wherein the second disposal channel leads to a second container, wherein the first container is spatially separated from the second container.

REJECTION BASED ON HOLMES, WITTER,
ZACCARO, AND MALONE

Claim 42 is directed to a method of categorizing pharmaceutical products and sorting them into first and second disposal channels. In the first step of the claim, product information about the return of a pharmaceutical product is received by a computer user interface device at a kiosk. A determination is made whether the return product qualifies for credit (step [2]). Verification information of the pharmaceutical product is obtained which comprises capturing an image of the product and its weight (step [3]). The verification information is transmitted to the pharmaceutical manufacturer (step [4]). After providing the credit information for the product (step [5]), a “special purpose computer” categorizes the pharmaceutical product based on the product information, where “the categorizing includes at least one of determining that the pharmaceutical product of the packaged item belongs to a first category and determining that the pharmaceutical product of the packaged item belongs to a second category” (step [6]). Steps [7] and [8] of the claim recite “opening” a first or second disposal channel “in response to determining that the pharmaceutical product of the packaged item belongs” to either the first or second category, respectively, where each channel leads to a container and “the first container is spatially separated from the second container.”

The Examiner found that Holmes describes a pharmaceutical inventory system that captures images of the pharmaceutical product and its weight as in step [3] of claim 42. Final Act. 3–4, 6–7. The Examiner further found that Holmes describes communicating this information to servers, which the Examiner determined meets step [4] of the claim. Final Act. 8.

The Examiner acknowledged that Holmes does not describe “an indication that the pharmaceutical product is to be returned” and “a return determination based on whether the pharmaceutical product qualifies for a credit using return policy information and the product information” as in steps [1] and [2] of claim 42. Final Act. 8. However, the Examiner determined that Witter describes the return of pharmaceutical products and obtaining the verification information about the returned product. Final Act. 10. The Examiner found it obvious to modify the Holmes pharmaceutical product inventory system with Witter’s teaching “to implement additional functionality for return processing based on a type of information known to be received in a product recall.” Final Act. 11.

With respect to step [2] of forming a return determination, the Examiner found that Zaccaro describes a “system operating in a reverse distribution environment that efficiently and accurately facilitates collection of items from retailers and other customers, shipment of the collected items to the appropriate manufacturers or distributors, tracking of the collected and shipped items, and disbursement of credit to the customers” which the Examiner determined meets the corresponding step of claim 42. Final Act. 14. The Examiner also found that Zaccaro also describes transmitting return verification information and credit information as in steps [4] and [5] of the claim. Final Act. 15–16. The Examiner determined it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate Zaccaro’s return method into the combination of Holmes and Witter for its known advantage in advantages in providing credit for recalled products. Final Act. 18–19.

The Examiner also found that Holmes, Witter, and Zaccaro do not describe categorizing the pharmaceutical product and then opening a first or second disposal channel based on the categorization as required by steps [7] and [8] of the claim. Final Act. 19–20. The Examiner identified Malone as describing a recycling “system for sorting returned items into one of multiple containers depending on the type of returned items,” although not pharmaceutical products. Final Act. 20. The Examiner determined it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Holmes, Witter, and Zaccaro with Malone’s teachings:

Because the structural elements in the above combination and in Malone are analogous, one of skill would have been able to reconfigure the elements from the above combination (e.g., camera, scale, sorting tray or port) as arranged in Malone to allow for the automatic deposit of the item into the open channel for the appropriate container. This feature of Malone would not interfere with the essential features and functions of the above combination because it would still be possible to obtain the necessary information to verify/identify the item, make a return determination, and provide credit information related to the item. The mechanical and software aspects of the above combination and Malone are straightforward and as such it would have been within the skill of the art to make this additional combination with Malone, using known techniques, and one of skill would have expected predictable results based on the expected operation of the sorting steps in Malone.

Final Act. 23.

Appellant argues that cited combination of prior art publications do not teach or suggest categorizing pharmaceutical products into a first or second category of pharmaceutical products as required by step [6] of claim 42 to allow the deposit of the product into a first or second container as in steps [7] and [8] of the claim. Appeal Br. 12, 16. Specifically, Appellant

contends that the Examiner’s reasoning is deficient because it “is nothing more than stating that the references are combinable because they are allegedly in the same field of endeavor.” *Id.* at 16.

In response to Appellant’s argument that the reason to combine the cited publications is defective, the Examiner pointed to Holmes’s teaching of “a port that includes a door movably controlled to block or allow access to the port” and Malone’s teaching of “opening a first disposal channel to a first container or a second disposal channel to a second container based on identifying the type of object.” Ans. 15–16. The Examiner further found that Holmes and Malone “are directed to the same particular problem as the claimed invention, e.g., identifying and sorting returned items based on an item category.” *Id.* at 16–17.

The Examiner did not provide an adequate reason for combining Holmes’s system with Malone.

Holmes describes “a storage and retrieval system and method” for pharmaceutical products. Holmes ¶ 4. Holmes’s system comprises “a housing, at least one port with controlled access to inventory stored within the device, a robotic transfer mechanism for moving inventory items to and from the controlled port,” software for tracking inventory, and an interface that can be accessed by a user. Holmes ¶ 5. Holmes further teaches that its method comprises:

opening a door to a port of the device if the user is verified, positioning the inventory item in the port, weighing the inventory item to determine a weight value of the inventory item, storing the weight value of the inventory item in the device, reading a label on the inventory item to identify a medication type, storing the medication type in the device, identifying an available space in the device for the inventory

item, moving the inventory item from the port to the identified space, and linking the inventory item and the identified space and storing the linked information in the device.

Holmes ¶ 8.

Holmes's system therefore opens a port to move a medication to a space in the device for the purpose of storing it in the inventory.

Holmes also discloses that its system can further include a second port "for receiving and holding an inventory item such as a medication being requested from the device." Holmes ¶¶ 53, 54. Holmes explains that the device can comprise, referencing Figure 1 of Holmes, "an input port 604 for stocking purposes and an output port 608 for dispensing purposes, and their respective platforms 612, 616." *Id.* at ¶ 56. The platforms are accessible by a robotic arm. *Id.* at ¶ 58.

The Examiner, as explained above, cited Witter and Zaccaro for modifying Holmes's storage and retrieval system for processing returns and providing credit information. Witter discloses:

Expired product and drugs subject to recall are typically received from these entities by a company at a facility established for that purpose, return service provider 109. When the returns are accounted for at return service provider 109, unusable packages are disposed of via disposal facility 111, while resalable packages and refund accounting information are sent to pharmaceutical company 101.

Witter ¶ 14.

Zaccaro describes sorting packages based on manufacturer and item categories. Zaccaro 3:1–13. Zaccaro teaches that a robotic arm may be used *Id.* at 8:39–40.

The Examiner did not identify a teaching in either Witter or Zaccaro of sorting pharmaceutical items through different disposal channels.

Malone, as found by the Examiner, describes a sorting system for recyclable items that can sort items into different collection bins “based on the type of product.” Malone ¶ 4. The recyclable items mentioned by Malone include aluminum cans and plastic bottles. *Id.* at ¶¶ 3, 56.

The examiner bears the initial burden of factually supporting a prima facie conclusion of obviousness under 35 U.S.C. § 103. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992); *In re Piasecki*, 745 F.2d 1468, 1472 (Fed. Cir. 1984). In supporting a rejection under § 103, the Examiner has the burden to “identify 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.*, 550 U.S. 538, 418 (2007). As explained in *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006), “rejections on obviousness cannot be sustained with mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.”

In this case, Holmes describes an inventory retrieval and storage system that has a port for the intake of pharmaceutical items. Holmes ¶ 8. The device moves the item to an identified space in the device. *Id.* There is also a second port for accessing pharmaceutical items from the device. Holmes ¶¶ 53, 54, 56. The Examiner’s rejection is based on the finding that Holmes’s device could be used for returned pharmaceutical products as required by the claim. To meet the claim limitations of categorizing the pharmaceutical products and opening first and second disposal channels (steps [6]–[8] of claim 1), Holmes’s device would need two channels and two containers, one associated with each channel, for sorting the drugs. The Examiner relied on the recycling system of Malone for this structure, stating

“one of skill would have been able to reconfigure the elements from the above combination (e.g., camera, scale, sorting tray or port) as arranged in Malone to allow for the automatic deposit of the item into the open channel for the appropriate container.” Final Act. 23. The Examiner further stated it would be obvious to modify Holmes because Malone is directed the same problem as Holmes. Ans. 16–17.

Holmes is not directed to the same problem as Malone as asserted by the Examiner. Holmes is storing pharmaceutical products in a device and then retrieving them from the device, using separate input and output ports, respectively. The initial question is not, as stated by the Examiner, whether the skilled worker could “reconfigure” Holmes with first and second disposal channels, but whether there would have been a reason to do so. The Examiner did not articulate an adequate reason to modify Holmes so that its device sorted recalled pharmaceutical products into two different containers. The purpose of Holmes’s device is to store items and then to take them out of storage from the device. It is true that both Witter and Zaccaro teach sorting pharmaceutical products, and even using a robotic arm to facilitate sorting, but the Examiner did not provide a reason as to why one of ordinary skill in the art would have sought to fit Holmes’s device with disposing channels, as taught by Malone, to sort the pharmaceutical products. As indicated by Appellant, the Examiner stated that it would be obvious to modify Holmes “to allow for the automatic deposit of the item into the open channel for the appropriate container” (Final Act. 23), but did identify an adequate reason that would have prompted one of ordinary skill to make the modification. It is not clear from the Examiner’s rejection how Holmes’s input and output ports would be altered to accommodate disposal channels

as recited in steps [7] and [8] of claim 1; turning Holmes's ports into disposal channels would change the function of Holmes's device entirely because it would eliminate the storage and retrieval function.

The Examiner stated that "the structural elements in the above combination [of Holmes, Witter, and Zaccaro] and in Malone are analogous." Final Act. 23. We do not agree that a device to sort recyclable items, such as cans and bottles, is "analogous" to Holmes's storage and retrieval device for storing pharmaceutical products. They perform different functions for different reasons. The Examiner did not explain what it is about the analogy between Malone and the other cited publications that would have led the skilled worker to modify Holmes to arrive at the claimed invention.

The Examiner also cited disclosure in Malone that its recycling embodiments are to be regarded as illustrative and not restrictive. Ans. 18 (citing Malone ¶ 26). However, we have not been guided to anything in Malone's disclosure, or the cited prior art, which would have led the skilled worker to have found that sorting pharmaceutical items for return and credit is an embodiment of Malone's aluminum can and plastic bottle recycling system that would have "become apparent to those skilled in the art from the following detailed description" of Malone (at ¶ 26).

The Examiner further stated that Malone's sorting feature "would not interfere with the essential features and functions of the above combination because it would still be possible to obtain the necessary information to verify/identify the item, make a return determination, and provide credit information related to the item." Ans. 23. The Examiner did not explain how adding the disposal channels to Holmes's device would not "interfere"

with Holmes's "essential features and functions" to store and retrieve products from its device.

The Examiner makes conclusory statements such as "combining these features into a single embodiment would not be expected to interfere or inhibit the features of the above combination, and a person having ordinary skill in the art would have expected the integration of these features to produce predictable results" and "incorporating" the features of the cited publication "is merely a combination of prior art elements according to known methods to yield predictable results." Ans. 12, 18, 19, 37. The initial burden, as explained above, is to identify a *reason* to combine the cited publications. While the modification suggested by the Examiner might result in an operable device, such determination does not address the question of why the skilled worker would have had reason to make the modification. Stating that the prior art is being used for its known function does not explain why it would be beneficial to use the functions in Witter, Zaccaro, and Malone in Holmes.

Accordingly, for the foregoing reasons, we find that the Examiner did not meet the burden of establishing that claim 42 is prima facie obvious based on Holmes, Witter, Zaccaro, and Malone. Independent claims 56 and 62 have the same requirement of categorizing pharmaceutical products and then sorting into first or second channels based on the categorization, and are therefore reversed for the same reason (claim 56 comprises a computer configured to carry out the method of claim 42, including opening the disposal channels; claim 62 is directed a system to carry out the method of claim 42 and comprises first and second disposal channels and a computer configured to carry out the method of claim 42).

The obviousness rejection of claims 42, 56, and 62 is reversed.
Dependent claims 43–55, 57, and 63 incorporate all the limitations of the independent claims and are reversed as well.

REJECTIONS BASED FURTHER ON MALLETT AND HAMILTON

The Examiner further cited Mallett and Hamilton to address dependent claims. The Examiner’s statement of the rejections does not make up for the deficiencies the rejection based on Holmes, Witter, Zaccaro, and Malone. Final Act. 37, 41. The obviousness rejections of 58–61 based on these publications is reversed, as well.

CONCLUSION

In summary:

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
42–57, 62, 63	103	Holmes, Witter, Zaccaro, Malone		42–57, 62, 63
58, 59, 61	103	Holmes, Witter, Zaccaro, Malone, Mallett		58, 59, 61
60	103	Holmes, Witter, Zaccaro, Malone, Mallett, Hamilton		60
Overall Outcome				42–63

REVERSED