

THIS OPINION WAS NOT WRITTEN FOR PUBLICATION

The opinion in support of the decision entered today (1) was not written for publication in a law journal and (2) is not binding precedent of the Board.

Paper No. 26

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte MICHAEL R. O'BRIEN, GEORGE W. OFF,
TIMOTHY L. CHERNEY, and GARY M. KATZ

Appeal No. 2002-1846
Application 09/146,199¹

ON BRIEF

Before SCHAFER, LEE and TORCZON, Administrative Patent Judges.

LEE, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134 from the examiner's rejection of appellants' claims 17-45.

¹ Application for patent filed September 3, 1998. The real party in interest is Catalina Marketing Corporation. According to the appellant, this application is a continuation of application 08/417,064, filed April 3, 1995, now Patent No. 5,832,457, which is a continuation-in-part of application 08/088,617, filed July 6, 1993, which is a continuation of application 07/695,650, filed May 6, 1991.

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References Relied on by the Examiner

U.S. Reissue Patent No. 30,037	Bass	June/1979
U.S. Patent No. 4,723,212	Mindrum et al. (“Mindrum”)	February/1988
U.S. Patent No. 4,855,908	Shimoda et al. (“Shimoda”)	August/1989
U.S. Patent No. 4,862,350	Orr et. al. (“Orr”)	August/1989
U.S. Patent No. 5,056,019	Schultz et al. (Schultz)	October/1991

The Rejections on Appeal

The following rejections are on appeal:

1. The rejection of claims 17-20, 24, 26-36, and 39-45 under 35 U.S.C. § 103 as unpatentable over Mindrum, Bass, Orr, and Shimoda.²
2. The rejection of claims 21, 22 and 37 under 35 U.S.C. § 103 as unpatentable over Mindrum and Brachtl.
3. The rejection of claims 23, 25 and 38 under 35 U.S.C. § 103 as unpatentable over Mindrum and Schultz.

Discussion

We **reverse** all three rejections.

² It is assumed that on page 3 of the examiner’s answer (Paper No. 19), the identification of claims 26-37 as being rejected over Mindrum, Bass, Orr, and Shomoda, is a typographical mistake, and should refer to claims 26-36, instead. See Paper No. 17. In any event, if it is not a mistake, then we reverse the rejection of claim 37 for the same reasons we reverse the rejection of claim 36 on which claim 37 depends.

A. The rejection of Claims 17-20, 24, 26-36, and 39-45 as
Unpatentable over Mindrum, Bass, Orr, and Shimoda

Independent claims 20 and 36 appear the broadest and are reproduced below:

20. A point of sale system, comprising:

(a) a terminal at a customer checkout location, said terminal having means for reading product codes on product items in a customer's order;

(b) item record file means for storing price and product identification information for product items;

(c) a store controller with which said terminal can communicate, said store controller in communication with said item record file; and

(d) means for collecting and storing system test data, said system test data comprising a log of events including at least one of (1) loop error events, (2) terminal reload events, (3) price change at the terminal events, and (4) item-not-on-file events.

36. A process comprising the steps of:

(a) reading product codes on product items in a customer's order using a terminal at a customer checkout location;

(b) storing price and product identification information for product items in an item record file;

(c) transmitting price and product identification information from the item record file to an [sic, a] store controller;

(d) transmitting customer purchase data from said terminal to said store controller; and

(e) collecting and storing system test data, said system test data comprising a log of events including at least one of (1) loop error events, (2) terminal reload events, (3) price change at the terminal events, and (4) item-not-on-file events.

Other independent claims in this case are claims 17-19 and claims 33-35. Unlike claims 20 and

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36 which require logging of events including **at least one** of four enumerated types of events, claims 17 and 33 require the collecting and storing of system test data comprising a log of events including **at least two** of the four enumerated types of events. Claims 18 and 34 require the collecting and storing of system test data comprising a log of events including **at least three** of the four enumerated types of events. Claims 19 and 35 require the collecting and storing of system test data comprising a log of events including **all four** enumerated types of events.

With respect to the Mindrum reference, the appellant takes issue with these findings of the examiner: (1) that Mindrum discloses a terminal that transmits customer purchase data, e.g., price and product information, to the store controller; (2) **that Mindrum discloses storing a price change at terminal event**; (3) that Mindrum discloses storing of system performance data, and (4) that Mindrum discloses filtering of customer purchase data, In appellant's supplemental brief on page 3, it is stated:

I have reviewed the cited column and line numbers in the Mindrum et al. patent, and I conclude that these four factual assertions are clearly false, and their repeated assertion is unreasonable. I request that the examiner clarify the record, by either: (1) explaining the basis for these assertions or (2) admitting on the record that these assertions are erroneous.

The examiner's position is not adequately articulated and appears internally inconsistent. Note that each of claims 20 and 36 requires the collecting and storing of system test data. In that regard, the examiner stated on page 5 of Paper No. 17, following the filing of appellants' appeal brief: "**Mindrum et al. do not teach system test data.**" If Mindrum do not teach system test data as the examiner has so determined, then Mindrum would not teach any of the four different

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specific kinds of system test data specified in either claim 20 or claim 36. Yet, following the filing of the appellants' supplemental brief, the examiner in the examiner's answer on page 4 explicitly regards the application of a discount in Mindrum as a redemption and then relies on Mindrum's teaching of the logging all coupon printing and redemption transactions as **logging a price change terminal event**, one of the system test data specified in claim 20 and claim 36. It is not clear just what the examiner has found to be the differences between the appellant's claims and Mindrum.

The problem with the examiner's rejection is that the obviousness determination under 35 U.S.C. § 103 is based on an underlying factual finding of differences between the claimed invention and the prior art, not on similarities. A specific finding of differences between the claimed invention and the prior art is required. Graham v. John Deere Co., 383 U.S. 1, 7-18, 148 USPQ 459, 467 (1966). The finding provides the proper focus and framework within which to determine whether the invention as a whole would have been obvious over the prior art. It is not clear what the examiner has found as the differences between the subject matter of each rejected claim and Mindrum. Without a clear articulation of such differences, the obviousness analysis has no proper foundation and cannot be meaningfully reviewed. We have gone back into the prosecution history and found in Paper No. 17, on page 7, this statement from the examiner: "Mindrum et al do not explicitly teach of a method that logs event data such as loop errors, terminal reload and items not-on-sale." Does that mean the examiner finds that Mindrum "implicitly" teaches these features? That is not clear, and no explanation for any "implied" teaching has been provided. Such muddled analysis should be avoided in the future. In any

event, claims 20 and 36 each requires the collecting and storing of only one type of system data, not all four enumerated types. Thus, as far as these claims are concerned, Mindrum does not need to disclose the logging of a loop error event, a terminal reload event, or an item-not-on-sale event.

Based on the foregoing, it would seem that the appellants' application should be remanded to the examiner for a clear and specific finding on the differences between each rejected claim and the Mindrum reference. In the particular circumstances here, however, a remand is not necessary for two reasons. **First**, we disagree with the examiner's position that Mindrum's disclosure of applying a discount at the checkout terminal constitutes a price change at terminal event as is recited in the appellants' claims. **Secondly**, we disagree with the examiner's conclusion that in light of the disclosure of Bass one with ordinary skill in the art would have been led to monitoring, collecting, and storing of the system test data specified in the appellants' claims, whether it is one, two, three, or all four types of the enumerated system test data.

The appellant has submitted the testimony of Mr. Gary Katz, who stated that he was "involved in retail marketing database work since the late 1980's," and that he "was familiar in 1992 with the state of the art POS [point of sale] systems, how they were used, and in a more general way how their hardware elements functioned." Mr. Katz's declaration, in ¶ 3, states:

In 1992, I knew that "price change at the terminal" in the context of a POS system meant changing a scan price almost in real time. That is, "price change at terminal" meant a change in the price that would be displayed on any terminal. The change could be made from any terminal, including a POS terminal used by a sales clerk to process a customer's purchase transaction. The change was made in

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the system's database storing price information for a product. The "price change at terminal" had nothing to do with the discount a customer received when presenting a coupon for a discount.

Against that backdrop, the examiner cited to no contrary evidence or any reason why the testimony of Mr. Katz is faulty or otherwise not credible. The meaning of "price change at terminal," as explained by the appellants' witness, is also not inconsistent with the way the appellants' specification is written. The examiner does not pointed to anything in the specification which tends to indicate that a price change at terminal event or operation means the same thing as applying a discount for an individual customer at checkout.

Consequently, the examiner does not have adequate basis to find that Mindrum discloses a "price change at terminal" event, for which pertinent test or performance data can be monitored or stored. As applied by the examiner, none of the references Bass, Orr, Shimoda, Brachtl, and Schultz makes up for that deficiency.

According to the examiner, Bass provides the teaching and motivation for one with ordinary skill in the art "to monitor, store and test point of sale attributes that relate to the performance of the system" (answer at 6). Regarding Bass, the examiner's answer merely states the following:

[Bass] teaches, regarding point of sale communication networks, that,

. . . it is essential that data communication systems, comprising the networks which provide the communication links and the data terminal stations connected thereto for transmitting and receiving the data information, be utilized to the fullest extent possible

and,

. . . it is imperative that the system operate with as great [a] reliability as practicable to assure the greatest degree of availability for data transmissions (column 1, lines 32-52).

Therefore, the Examiner is of the opinion that the combined prior art reasonably suggests to one of ordinary skill in this art the need to monitor, store and test point of sale attributes that relate to the performance of the system as error prone or faulty systems can lead to,

delays in the acquisition of requested data may materially and detrimentally impact or even prove critical to a business operation because of the need for and emphasis on the continuity and speedy real time retrieval of information. (Bass, column 1, lines 53-57).

In Paper No. 17, the examiner noted, with regard to Bass, that adverse effects of delays in the acquisition of requested data provides impetus for maximizing data communication systems reliability. Also in that paper, on page 6, the examiner states the following about Bass:

Bass also details the advent of, “. . . remote test systems [that] have been developed for testing data communications systems from a central location. . .” (column 3, lines 3-5), “network troubleshooting methods” as well as the establishment of “various test modes” in order to improve system efficiency (column 3, lines 40-47). The system of Bass utilizes these “tests” to measure parameters affecting audio and digital performance (column 6, lines 48-55; column 7, lines 42-65). Overall, Bass offers a preventive maintenance program that provides communication network testing, reconfiguration, diagnostics and problem resolution in order to promote system liability, capital equipment optimization and customer satisfaction (column 13, lines 4-14).

None of the items identified by the examiner about Bass necessarily has anything to do with the

monitoring of transaction-oriented events at the point of sale. As is pointed out by the appellant on page 6 of the reply brief, the types of testing conducted in Bass are procedures such as an “audio loop test” to measure line transmission parameters, a “one way test” to test the reception of the receiving component, a “digital loop test” to test digital data round trip integrity, and a modem performance test. Remote testing of such nature does not reasonably suggest the monitoring or storing of transaction-oriented events at the point of sale like the four mentioned in claims 20 and 36: (1) loop error events, (2) terminal reload events, (3) price change at the terminal events, and (4) item-not-on-file events. Note that a “loop error event” is defined on page 20 of the appellants’ specification, and represents the failure of a message to successfully flow from the cash register to the store controller. Thus, monitoring a loop error event during real transactions is quite distinct from Bass’ conducting a digital loop test.

The examiner has failed to satisfy his appropriate burden of proof. The stated rationale is missing several key steps. Bass’ general teaching about a desire to increase system reliability has been relied on to meet the appellants’ claimed feature of collecting and storing certain types of transaction-oriented system data. That is inappropriate. The examiner has not set forth sufficient motivation, based on the disclosure of Bass, for one with ordinary skill in the art to collect and store any of the transaction-oriented system data such as those explicitly defined in claims 20 and 36. In our view, the examiner has adopted an inappropriate hindsight analysis in light of the appellants’ own disclosure.

For the foregoing reasons, the rejection of claims 17-20, 24, 26-36, and 39-45 as being unpatentable over Mindrum, Bass, Orr, and Shimoda cannot be sustained.

B. The Rejection of Claims 21, 22 and 37 as
Unpatentable over Mindrum and Bracthl

Claims 21, 22, and 37 are reproduced below:

21. A system according to claim 20 further comprising means for collecting and storing credit provider authorization time-out data, said time-out data comprising an amount of time-outs received during electronic tendering transactions.

22. A system according to claim 20 further comprising means for collecting and storing credit provider authorization time-out data, said time-out data comprising an amount of time-outs received during electronic tendering transactions, wherein said tendering transactions each involve an electronic request for authorization for credit from a credit provider.

37. A process according to claim 36 further comprising the step of collecting and storing credit provider authorization time-out data, said time-out data comprising an amount of time-outs received during electronic tendering transactions.

With regard to claims 21, 22 and 37, the examiner relies on Mindrum as teaching system “time-outs” and on Bracthl as teaching the collecting of data from point of sales terminals for future analysis. See page 7 of the examiner’s answer. However, the examiner does not indicate, within the context of the rejection of claims 21, 22 and 37, just what is relied on to teach each of the recitations in independent claims 20 and 36 on which the claims 21, 22 and 37 depend.

We note, however, that the examiner has acknowledged on page 7 of Paper No. 17 that Mindrum does not explicitly teach a method that logs event data such as loop errors, terminal reload, and items not-on-sale, and also has not asserted any “implied” teaching by Mindrum in that regard. Moreover, we have already determined that what the examiner regards as a disclosure in Mindrum for a “price change at terminal” is not really a “price change at terminal”

event. Consequently, the features required by independent claims 20 and 36 have not all been shown by the examiner as disclosed by Mindrum. Thus, the rejection of dependent claims 21, 22 and 37 as being unpatentable over Mindrum and Bracthl is not supported by sufficient evidence and cannot be sustained.

C. The Rejection of Claims 23, 25 and 38 as Unpatentable over Mindrum and Schultz

Claims 23, 25 and 38 are reproduced below:

23. A system according to claim 20 further comprising means for uniquely identifying the customer based upon a scannable identification card.

25. A system according to claim 20 further comprising customer purchase file means for storing data pertaining to the customer's purchase of products.

38. A process according to claim 36 further comprising the step of uniquely identifying the customer based upon a scannable identification card.

With regard to claims 23, 25, and 38, the examiner relies on Schultz to meet the specific limitation of these claims additional to those in the base claim and on Mindrum to meet the limitations of the independent base claims 20 and 36. The examiner and the appellant are in agreement that independent base claims 20 and 36 require only one of four types of system test data to be collected and stored: (1) loop error events; (2) terminal reload events; (3) price change at the terminal events; and (4) item-not-on-file events. In that regard, the examiner has acknowledged on page 7 of Paper No. 17 that Mindrum does not explicitly teach a method that logs event data such as loop errors, terminal reload, and items not-on-sale, and also has not asserted any "implied" teaching from Mindrum in that regard. Moreover, we have already

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determined that what the examiner regards as a disclosure in Mindrum for a “price change at terminal” is not really a “price change at terminal” event. Consequently, the features of independent claims 20 and 36 have not all been shown by the examiner as disclosed by Mindrum. Thus, the rejection of dependent claims 21, 22 and 37 as being unpatentable over Mindrum and Schultz is not supported by sufficient evidence and cannot be sustained.

Conclusion

The rejection of claims 17-20, 24, 26-36, and 39-45 under 35 U.S.C. § 103 as being unpatentable over Bass, Orr, and Shimoda is **reversed**.

The rejection of claims 21, 22 and 37 under 35 U.S.C. § 103 as being unpatentable over Mindrum and Brachtl is **reversed**.

The rejection of claims 23, 25 and 38 under 35 U.S.C. § 103 as being unpatentable over Mindrum and Schultz is **reversed**.

REVERSED

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