

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opinion in support of the decision being entered today (1) was not written for publication in a law journal and (2) is not binding precedent of the Board.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. 17

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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Ex parte STEVEN P. SPIEGELHOFF  
and JOSEPH KRAETZ

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Appeal No. 97-1931  
Application 08/364,826<sup>1</sup>

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ON BRIEF

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Before JERRY SMITH, BARRETT and FLEMING, Administrative Patent Judges.

JERRY SMITH, Administrative Patent Judge.

DECISION ON APPEAL

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<sup>1</sup> Application for patent filed December 27, 1994. According to appellants, the application is a continuation of Application 08/005,248, filed January 15, 1993, now U.S. Patent No. 5,402,336, issued March 28, 1995.

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This is a decision on the appeal under 35 U.S.C. § 134 from the examiner's final rejection of claims 1-25, which constitute all the claims in the application. An amendment after final rejection was filed on January 2, 1996 and was entered by the examiner. This amendment resulted in the removal of a rejection of claims 9, 10 and 17 under 35 U.S.C. § 112 [Advisory Action, Paper #9].

The claimed invention pertains to an apparatus and method for ordering products from two or more suppliers. More particularly, the invention serves to minimize the cost of obtaining the products while complying with specific ordering requirements.

Representative claim 1 is reproduced as follows:

1. A system comprising:

(A) means, containing price information about each of a plurality of distinct items each of which is offered by at least two warehouses, for receiving orders from an orderer for a retailer and for transmitting price information about said items to said orderer; and

(B) means, electronically linked to said means (A) and being operated by said orderer for said retailer, for receiving said price information from said means (A), and for creating order files used to order said items from said warehouses, said means (B) including

(i) means for automatically obtaining said price information from said means (A) about each of said items offered by at least two of said warehouses,



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rationale in support of the rejection and arguments in rebuttal set forth in the examiner's answers.

It is our view, after consideration of the record before us, that the collective evidence relied upon and the level of skill in the particular art would have suggested to one of ordinary skill in the art the obviousness of the invention as set forth in claims 1-16, 18 and 22-25. We reach the opposite conclusion with respect to claims 17 and 19-21. Accordingly, we affirm-in-part.

The examiner has rejected each of claims 1-25 as being unpatentable over the teachings of Dworkin when considered in combination with the skill of the artisan. Dworkin is directed to a computer which can determine all the products which meet a user's requirements, and can indicate to the user the supplier and cost information for each of the products. The user can then order the product from the individual supplier based upon the user's criteria such as lowest price. Thus, Dworkin relates to a device for indicating to a customer which supplier can supply specific products and at what cost.

Before we consider the specific claims on appeal before us, some general observations are in order. There are initially

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two differences between Dworkin and the claimed invention which, in our view, would have been obvious based upon the knowledge of the skilled artisan. First, the broad recitations of obtaining price information, evaluating items for price data, selecting items to be ordered, and creating order files are suggested by the ordering system of Dworkin. Although Dworkin suggests some manual user interaction with the computer system, we find that the skilled artisan would have recognized that any of the steps in Dworkin could broadly be performed automatically to replace any manual selection of the user. Thus, all arguments by appellants which rely on the manual selection of an item by the user in Dworkin as distinguishing their invention are considered unpersuasive because they fail to account for what would be suggested to the skilled artisan. While a mere difference between a reference and a claimed invention is sufficient to eliminate a rejection on anticipation, merely pointing out this same difference does not necessarily serve to overcome a rejection on obviousness. Thus, Dworkin would have suggested automatic operation to the artisan even if the preferred embodiment relies on user selection.

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Our second observation is that the skilled artisan would not view Dworkin as limited to the case of a consumer buying a single item from a supplier. Dworkin would have suggested to the artisan that any purchaser who can buy from any of a plurality of suppliers should access a database of price information to determine the best price. Thus, it would make no difference to the artisan whether the purchaser was an individual consumer and the supplier was a retail dealer, or whether the purchaser was a retail dealer and the supplier was a wholesale distributor. The artisan would have appreciated that the teachings of Dworkin would be applicable to any relationship where a buyer can select from several suppliers. Therefore, all arguments based on a distinction between the status of a Dworkin user and the users of the claimed invention are dismissed as not material to the question of whether such extension of the Dworkin teachings would have been obvious to the artisan.

Once it has been determined that the teachings of Dworkin would have suggested to the artisan that the Dworkin system was applicable to a purchaser and supplier in a commercial retail relationship, then the teachings of Dworkin must be viewed in terms of how the functions carried out in Dworkin would be

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implemented at the retail level. In other words, Dworkin cannot be distinguished based only on the size of the purchaser or the size of the order. The artisan would have recognized that the same principles apply regardless of the size of the order to be made. Therefore, in considering the obviousness of the claimed invention with respect to Dworkin, the operation of Dworkin must be considered as it would apply to the same type of retailer-wholesaler relationship as disclosed by appellants.

We now consider the specific rejection of each of the claims under 35 U.S.C. § 103. As a general proposition in an appeal involving a rejection under 35 U.S.C. § 103, an examiner is under a burden to make out a prima facie case of obviousness. If that burden is met, the burden of going forward then shifts to the applicant to overcome the prima facie case with argument and/or evidence. Obviousness is then determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. See In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992); In re Hedges, 783 F.2d 1038, 1039, 228 USPQ 685, 686 (Fed. Cir. 1986); In re Piasecki, 745 F.2d

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1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976).

Appellants' initial argument is that the examiner has failed to make out a prima facie case of obviousness. Appellants should not confuse the prima facie case with the ultimate determination of the relative persuasiveness of the substantive arguments in support of the rejection. In order to satisfy the burden of presenting a prima facie case of obviousness, the examiner need only identify the teachings of the references, identify the differences between the prior art and the claimed invention, and provide a reasonable analysis of the obviousness of the differences which an artisan might find convincing in the absence of rebuttal evidence or arguments.

With respect to the claims on appeal, the examiner has pointed out the teachings of Dworkin, has pointed out the knowledge attributable to the skilled artisan, has pointed out the perceived differences between this prior art and the claimed invention, and has reasonably indicated how and why Dworkin would have been modified in view of the skill of the artisan to arrive at the claimed invention. In our view, the examiner's analysis is sufficiently reasonable that we conclude that the examiner has

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satisfied the burden of presenting a prima facie case of obviousness. That is, the examiner's analysis, if left un rebutted, would be sufficient to support a rejection under 35 U.S.C. § 103. The burden is, therefore, upon appellants to come forward with evidence or arguments which persuasively rebut the examiner's prima facie case of obviousness. Appellants have presented several substantive arguments in response to the examiner's rejection. Therefore, we consider obviousness based upon the totality of the evidence and the relative persuasiveness of the arguments.

Before we consider the arguments of appellants and the examiner on a claim by claim basis, we will consider the arguments directed to the evidence of secondary considerations which are material to all the claims on appeal. The secondary considerations furnished by appellants take the form of two declarations by co-inventor Spiegelhoff relating to the alleged commercial success of the invention. Although the examiner has considered this evidence of appellants, the examiner was not persuaded that the evidence overcame the obviousness rejection.

Appellants argue that the Spiegelhoff declarations demonstrate commercial success in two different ways. First,

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Spiegelhoff's declarations indicate that using the invention resulted in his store saving over \$4000 per month over the amount spent before use of the invention. Second, the declarations indicate that the "invention" was sold or licensed to 16 retail grocery outlets out of a potential pool of 53 outlets at a cost of up to \$10,000 per unit.

With respect to the evidence in support of the first contention of commercial success, we agree with the examiner that the facts do not support commercial success within the meaning of the case law. The amount of money Spiegelhoff's Pick 'N Save saved by using the invention is not a measure of the nonobviousness of the invention. First, the fact that the store was using an inefficient way to order products before the invention was used is not a basis for recognizing invention. Appellants admit that the store owners knew that they could buy the products for less by using plural suppliers, but elected not to do so because they did not want to spend time and energy in making this decision. Thus, the store owners deliberately followed an expensive way to order products just because they did not want to be bothered with more efficient techniques. Appellants' argument could result in a patent being granted to them for doing business inefficiently whereas an efficient store

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owner would not be able to show such savings for the same  
"invention."

Assuming arguendo that savings is a legitimate basis for finding commercial success, then any savings would have to be based on the amount saved by using the invention compared to the amount which would be spent if the closest prior art were followed. Here, Dworkin clearly teaches that any effort to save money in buying a product must be based on a selection among several available suppliers. When the Dworkin teachings are applied to the purchases of a retail establishment, it is clear that the prior art suggests the use of several wholesale suppliers for obtaining the best price. Spiegelhoff was using a single supplier which would have been contrary to even basic intuition as well as the teachings of the prior art. Although appellants assert that such data is not available to them, such data, nevertheless, would be the only data truly probative of commercial success based on savings.

With respect to the evidence in support of the second contention of commercial success, we again agree with the examiner that the facts do not support commercial success within the meaning of the case law. The first evidence which must be evaluated is whether the facts support the proposition that the

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invention was successfully marketed based only on the advantages inherent in the invention. We do not find this to be the case. Instead, we find the pool of customers being limited to "Pick 'N Save retailers who are shareholders in Roundy's Inc."

[declaration ¶5] to remove any objectivity this evidence might have otherwise represented. Since any purchasers or licensees of the invention would be potential customers of Roundy's Inc. as well as shareholders in the company, there could be several other compelling reasons for such customers to use the invention based solely on what effect it would have on sales by Roundy's Inc. We cannot say what effect this relationship specifically had on the sale of units as noted in the declaration. What we can say, however, is that such facts create a legitimate question as to what was the main reason that the licensees or purchasers used the product. Since we have no evidence from the purchasers or licensees directly, we must consider the interpretation of the facts under all possible scenarios.

Spiegelhoff's declaration also states that "[e]ach of the sorters sold or licensed is in my opinion commensurate in scope with the sorter disclosed and defined in the claims of the patent

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application" [¶8, underlining added]. Spiegelhoff also gives several "opinions" that the advantages of the claimed invention, and not extraneous factors, were the only reasons for commercial success [declaration, ¶10]. There are insufficient facts set forth in the declaration, however, by which these opinions of Spiegelhoff can be evaluated. We have no doubt that Spiegelhoff believes his statements. We also have no doubt that the units sold and licensed at least performed the basic operations of the broadest claims. There is no factual evidence presented, however, that the units were purchased or licensed based only on the features of the appealed claims. Again there is no evidence from the purchasers or licensees directly to substantiate this belief of declarant. Any opinions on the ultimate legal conclusion must be supported by sufficient facts capable of independent and objective analysis by the finder of fact. Such facts are not present here. Thus, we find appellants' evidence of secondary considerations insufficient to overcome the prima facie case of obviousness established by the examiner.

We now consider the arguments of appellants and the examiner as they specifically apply to individual claims. With

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respect to claim 1, appellants argue that a single computer is disclosed as capable of performing the functions of the first means whereas Dworkin requires at least two computers to receive and convey information with respect to each wholesaler.

According to appellants, this difference represents a structural non-equivalence when claim 1 is interpreted under the sixth paragraph of 35 U.S.C. § 112 [brief, pages 10-11]. We do not agree.

As the examiner has pointed out, claim 2 recites that the first means comprises a plurality of computers. This claim recitation demonstrates that the first means of claim 1 is disclosed as being either a single computer or a plurality of computers. Thus, claim 1 recites the first means in a form which is generic to the presence of one computer or a plurality of computers. When interpreting a generic claim for prior art purposes, any species of the genus is considered to meet the claimed genus. Therefore, when interpreting claim 1 under the sixth paragraph of 35 U.S.C. § 112, the claim should be read as incorporating whichever species is suggested by the prior art. A single computer will not be read into the claim for the first

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means when the specification also supports that a plurality of computers may perform the functions of the first means.

Appellants argue that there is no suggestion in Dworkin for the vendor computers to incorporate data provided by the database [brief, page 11]. On the contrary, Dworkin clearly suggests that the vendor computers should have direct access to the database so that the suppliers can update their information as necessary [column 10, lines 50-53].

Appellants argue that subclause (i) of clause (B) requires that price information be obtained from the same means which receives the orders. It is submitted that the claim does not require this relationship despite appellants' argument. Claim 1 only requires that price information be obtained at the same means which creates the order files. The CPU 1 of Dworkin both receives price information and creates any order file to be sent to the vendor computers.

Appellants argue that Dworkin does not teach all the steps being performed automatically as recited in claim 1. As we noted above, however, the steps of claim 1 are performed in Dworkin although the creation of an order file is done by manual selection of the user in Dworkin. Nevertheless, the broad recitations of performing known steps automatically would have

been obvious to the artisan for reasons discussed above. Even though Dworkin may require user interaction in its preferred embodiment, the artisan would have appreciated the obviousness of making decisions automatically.

Thus, when claim 1 is given its broadest reasonable interpretation consistent with the specification, and when the teachings of Dworkin are collectively combined with the skill of the artisan, we are of the view that the invention as recited in claim 1 would have been obvious to one having ordinary skill in this art. Therefore, we sustain the rejection of claim 1.

With respect to claim 2, appellants argue that the single database of Dworkin contains shared information offered by all the warehouses, and therefore, does not teach the respective relationships recited in claim 2. In our view, however, this is not what claim 2 recites. Claim 2 recites that the means (A) is a plurality of computers, and that is suggested by the vendor computers 9a to 9d of Dworkin in combination with the database.

With respect to claim 3, appellants argue that Dworkin does not select items based on the criterion of net price per unit item. Although this point of appellants is correct, the argument fails to address the obviousness of the limitation. Any purchaser of goods would have found it obvious to select goods

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based on the lowest price per item because consumers buy items based on this principle on a regular basis. Automatically making this selection would have been obvious for reasons discussed above.

With respect to claim 4, appellants argue that the "means" of Dworkin merely assists the user in making a selection and does not perform evaluation criteria per se. The step of automatically performing the evaluation that the user in Dworkin manually performs would have been obvious to the artisan for reasons discussed above.

With respect to claim 5, appellants argue that the preferential treatment given the primary warehouse with respect to the secondary warehouses is not taught in Dworkin. Claim 5 merely recites the manner in which prices are compared between the warehouses. When a lowest price is to be determined, it is conventional to compare items by starting with a first item, comparing items one by one, and carrying forward the lowest price. By the time the last item is compared, the last item is compared to the aggregate lowest item of all the previous items. If the last item compared is named the primary warehouse and all the other items are named secondary warehouses, this conventional form of comparison would fully meet the recitations of claim 5.

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Thus, the comparison technique as broadly recited in claim 5 would have been obvious to the artisan.

With respect to claim 6, appellants argue that Dworkin does not teach the concept of activating only some of the warehouses when the orderer knows that certain items cannot be obtained from all warehouses. Although we again agree with appellants that Dworkin does not specifically teach this concept, the argument does not address the obviousness of this limitation. In our view, the artisan would have recognized the obviousness of eliminating warehouses from the evaluation which were incapable of supplying the desired item. To otherwise consider these warehouses would be a clear waste of time and resources. Claim 7 stands or falls with claim 1 [brief, page 27].

With respect to claim 8, appellants argue that Dworkin does not teach means for calculating and displaying the total cost of items ordered from each of the warehouses. Nevertheless, any purchaser would have expected and would have found it obvious for the supplier to indicate the total cost of all items ordered by the purchaser. Such "invoices" are conventional evidence of retail transactions.

With respect to claim 9, appellants argue that the essential limitations of claims 1 and 8 are present as well as a

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means for calculating and displaying a total savings. The limitations of claims 1 and 8 would have been obvious to the artisan for reasons discussed above. The broad concept of calculating and displaying total savings would also have been obvious to the artisan because consumers are always interested in knowing how much money they have saved by buying items from a specific supplier.

With respect to claim 10, appellants argue that Dworkin does not teach manual editing of an order before it is transmitted to a warehouse. We agree with the examiner, however, that it would have been obvious to the artisan that any electronic order would be amenable to alteration before it is electronically sent to the warehouse.

With respect to claim 11, appellants make the same arguments that were made with respect to claim 1, and these arguments are not persuasive for the same reasons discussed above.

With respect to claim 12, appellants argue that claim 12 is intermediate in scope between claims 1 and 11. Since we have determined that the invention of claims 1 and 11 would have been obvious to the artisan, we reach the same conclusion with respect to claim 12 for reasons discussed above.

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With respect to claims 13-15, appellants again argue the distinction of performing steps automatically in the claims as compared to manual interaction in Dworkin. The automatic performance of the claimed steps would have been obvious to the artisan for reasons discussed above.

With respect to claim 16, appellants repeat the arguments made with respect to the rejection of claim 5. These arguments are not persuasive for the same reasons discussed above.

With respect to claim 17, appellants argue that Dworkin is devoid of any suggestion of revising an allocation of resources to meet a designated ordering criterion. We agree. Dworkin's recognition that items purchased in quantity cost less per item is not related to the idea of allocating resources to comply with a designated ordering criterion. Dworkin contains no suggestion as to why the user would revise the preferred allocation in order to meet such ordering criterion. Therefore, we do not sustain the rejection of claim 17.

With respect to claim 18, appellants make the same arguments as they made with respect to the rejection of claim 6. These arguments are not persuasive for the same reasons discussed above.

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With respect to claim 19, appellants argue that there is no suggestion in Dworkin for treating one warehouse preferentially as compared to all the other warehouses. We agree. The specific recitation in claim 19 of creating secondary warehouse comparison files and searching these files is not suggested by the broad, general teachings of Dworkin, and is not something that the general consumer routinely does. Therefore, we do not sustain the rejection of claim 19. Since claims 20 and 21 depend from claim 19, we also do not sustain the rejection of these claims.

With respect to claim 22, it stands or falls with claim 1 [brief, page 33], and therefore, the rejection of claim 22 is sustained for reasons discussed above.

With respect to claim 23, appellants argue that the recitation that each of more than 100 items be ordered is not suggested by Dworkin. Although Dworkin can be used for placing small orders, it is not so limited. As we noted above, the artisan would have appreciated the obviousness of extending the teachings of Dworkin to a buyer and seller in a retail business and wholesale supplier relationship as set forth in appellants' specification. When this relationship exists, it would have been

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obvious to the artisan that more than 100 items would form a typical order. Therefore, we sustain the rejection of claim 23.

Claim 24 stands or falls with claim 12 [brief, page 33]. Claim 25 contains the same limitation as claim 23. Accordingly, the rejection of claim 25 is sustained for the same reasons discussed above with respect to claim 23.

In summary, the rejection of claims 1-25 as unpatentable over the teachings of Dworkin is sustained with respect to claims 1-16, 18 and 22-25, but is not sustained with respect to claims 17 and 19-21. Accordingly, the decision of the examiner rejecting claims 1-25 is affirmed-in-part.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

AFFIRMED-IN-PART

JERRY SMITH	)	
Administrative Patent Judge	)	
	)	
	)	
	)	BOARD OF PATENT
MICHAEL R. FLEMING	)	
Administrative Patent Judge	)	APPEALS AND
	)	
	)	INTERFERENCES

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