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**FEDERAL CIRCUIT PATENT LAW CASE UPDATE**


The court affirmed the Board’s award of priority to the junior party, Dentlinger, in an interference proceeding, because Dentlinger proved actual reduction to practice before Taskett’s filing date for a patent covering a process that automated purchase of prepaid telephone services.

Based on a filing date six days after Taskett’s date, Dentlinger was the junior party to an interference proceeding before the PTO Board of Patent Appeals and Interferences. “The interference involves a single count covering a process for the automated purchasing of prepaid telephone services.” Taskett relied on his filing date, but Dentlinger asserted reduction to practice as of October 11, 1994.

Taskett maintains that Dentlinger's October 11, 1994 test failed to perform a process that met all of the limitations of the count and that Dentlinger failed to prove adequate testing to show that the process actually worked for its intended purpose. . . . Taskett specifically identifies the “financial authorization” limitation, and the descriptions of the printed receipt as reflecting “purchase” of “prepaid telephone services,” as not performed by the October 11, 1994 test. Taskett essentially argues that the count can only be fulfilled if real money, from a real bank account at a third-party financial institution is actually debited and actual telephone calls are made based on the printed receipt.

The court found that the test embodied all the claim limitations, meeting the first prong of the test for actual reduction to practice, even if the “financial authorization” was processed through a dummy checking account at the same institution rather than a third-party financial institution. “Nothing in the count, read on its face or in light of either or both specifications, requires that the ‘central terminal’ be located at a third-party financial institution.”

In addition, we discern substantial evidence supporting the Board’s finding that the “authorization” requirement was met. Taskett does not dispute that the October 11, 1994 test obtained approval from a sample checking account using the EDS switch. During the October 11, 1994 test, the “initiating terminal,” an ATM device, received a request to purchase a specified amount of prepaid telephone service. The ATM device communicated with the EDS switch, which operated as the “central terminal.” The EDS switch checked the amount of available “funds” in a sample checking account to ascertain whether there were sufficient funds for the prepaid telephone services. Upon confirming sufficient funds, fifty dollars was withdrawn from the sample checking account. A printed receipt reflected this withdrawal and provided a call-in number and PIN. Thus, “financial authorization” was provided by the central terminal to the ATM upon receiving a request for the purchase of prepaid telephone services. Though the funds in the sample checking account were not real, the “financial authorization” was.

To meet the second prong of reduction to practice, that the invention would work for its intended purpose, Dentlinger’s test “need not occur under conditions of actual, commercial use.” There was sufficient evidence that the printed receipt would in fact work to make calls, and that financial authorization was a commonly available and well understood service.

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