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We AFFIRM.

\(^1\) “The real party in interest is Paytronix Systems, Inc.” (Appeal Br. 1.)
STATEMENT OF THE CASE

According to the Appellants, “[t]his invention relates to stored product personal identification system.” (Spec. 1, l. 6.)

Illustrative Claim

99. A computer-implemented method in which a set of entities interact to enable a first user to acquire entitlement to redeem a physical product and to enable redemption of said physical product, said set of entities comprising a first point-of-sale terminal, a second point-of-sale terminal, a guest loyalty-and-marketing system, and a database server that is part of the guest loyalty-and-marketing system, the method comprising

   maintaining, by the database server, at the guest loyalty-and-marketing system, a central database that is configured to store, for each of a plurality of users, information indicating that the user has entitlement to redeem a physical product from a set of one or more physical products,

   linking the guest loyalty-and-marketing system to the first point-of-sale-terminal to enable data communication between the first point-of-sale terminal and the database server,

   sending to the guest loyalty-and-marketing system, by the first point-of-sale terminal, first information that a user provides, in which the first information includes a selection of a physical product from a set of physical products,

   sending, by the first point-of-sale terminal, to the guest loyalty-and-marketing system, a unique identifier that identifies a stored product card,

   storing, by the guest loyalty-and-marketing system, the first information and the unique identifier,

   updating, by the database server, an account of the first user in the central database to indicate that the first user has an entitlement to redeem the physical product,

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2 This illustrative claim is quoted from the Claims Appendix set forth on pages 19–29 of the Appeal Brief, with paragraphing added.
sending, by the guest loyalty-and-marketing system, to
the first point-of-sale terminal, results of a transaction, in which
the results include a menu item to be inserted into a check for
pre-payment for the physical product,

updating the check, by the first point-of-sale terminal,
with the menu item that is prepaid,

paying, by the first user, of the check, to complete
payment for the physical product on the card,

linking the guest loyalty-and-marketing system to the
second point-of-sale terminal to enable data communication
between the database server and the second point-of-sale
terminal,

sending to the guest loyalty-and-marketing system, by
the second point-of-sale terminal, the unique identifier,

soliciting, by the second point-of-sale terminal, from the
guest loyalty-and-marketing system, available physical
products to be redeemed that are available for redemption for a
specific account,

sending, by the second point-of-sale terminal to the guest
loyalty-and-marketing system, information identifying the
selected product,

sending, by the second point-of-sale terminal to the guest
loyalty-and-marketing system an instruction to redeem the
selected product,

determining, by the database server, that the unique
identifier is associated with an account at guest loyalty-and-
marketing system,

determining, by the database server, that the central
database has information that indicates that the account has an
entitlement to redeem the physical product,

sending, by the guest loyalty-and-marketing system to
the second point-of-sale terminal, an approval of the
redemption of the physical product so that a holder of the
stored-product card can redeem the physical product at the
second point-of-sale terminal, and

updating, by the second point-of-sale terminal, the check
so that the physical product is discounted from the check.

ANALYSIS

Independent claim 99 recites “[a] computer-implemented method in which a set of entities interact to enable a first user to acquire entitlement to redeem a physical product and to enable redemption of said physical product.” (Appeal Br., Claims App.) In the claimed method, according to the Appellants, the “[point of sale] terminals interact with a server to implement a gift card that stores information representing a product instead of information representing value.” (Id. at 8.)

The Examiner determines that the claimed method is directed to the “fundamental economic practice[]” of “pre-payment” and “redemption” of physical products and therefore “an abstract idea.” (Final Action 2.) The Examiner also determines that “the additional limitations” recited in independent claim 99 only serve to “implement the abstract idea with routine, conventional activity.” (Answer 4.)

More succinctly, the Examiner concludes that independent claim 99 does not pass muster under the two-step Alice test. See Alice Corp. Pty. Ltd. v. CLS Bank Int’l, 134 S. Ct. 2347 (2014). As discussed below, we agree with the Examiner’s conclusion in this regard, and we are not persuaded by the Appellants’ arguments to the contrary.

In the first step of the Alice test, we consider whether independent 99 is “directed to” an abstract idea. See Alice at 134 S. Ct. at 2355. We agree with the Examiner that prepayment for a product followed by redemption of this paid-for product is a fundamental economic practice, as it concerns
“transactions” between a customer and a business of the “sale of goods” and relates to “how consumers pay for physical products received from businesses.” (Final Action 3, 4.) The core concept of independent claim 99 is the exchange of financial obligations and thus it is comparable to the claims at issue in Alice.

In the second step of the Alice test, we consider whether additional elements in independent claim 99, both individually and as an ordered combination, “transform the nature of the claim” into a patent-eligible application. Alice, 134 S. Ct. at 2355. We agree with the Examiner that “the additional limitations of using generic point of sale terminal(s), server(s), [a] loyalty and marketing system, card(s), [and] database(s),” taken as a whole, “simply instruct the practitioner to implement the abstract idea with routine, conventional activity.” (Answer 4.)

The Appellants advance arguments premised upon the Examiner’s alleged inability to identify an abstract idea. (See Appeal Br. 12–13.) We are not persuaded by these arguments because it is not necessary to “labor to delimit the precise contours of the ‘abstract ideas’ category” when, as here, the claims are directed to the exchange of financial obligations. See Alice, 134 S. Ct. at 2357. We further note that “[a]n abstract idea can generally be described at different levels of abstraction.” Apple, Inc. v. Ameranth, Inc., 842 F.3d 1229, 1240 (Fed. Cir. 2016)

The Appellants also advance arguments premised upon the claimed method providing “a gift card that stores information representing a product instead of information representing [a] value.” (Appeal Br. 8.) According to the Appellants, “[t]his represents a fundamental paradigm shift in how gift cards are processed.” (Id.) We are not persuaded by these arguments
because they rest solely on the content of the information stored for the gift card, and, to boot, the asserted distinction of the information’s content is purely economic. Insofar as the claimed method provides a solution that is financially favorable to commercially-interacting parties, this solution is not rooted in computer technology. And the Appellants do not explain, and we do not see, how the implementation of this economic aspect (i.e., changing the content of economic information stored for a gift card) would entail more than the performance of well-understood, routine, and conventional activities by the recited computer components.  

The Appellants additionally advance arguments that appear to be premised upon independent claim 99 requiring the processing of paper checks. (See Appeal Br. 10–11.) According to the Appellants, a check is “what the waiter brings to your table at a restaurant” and is “an article of matter.” (Id. at 11.) Without even looking at §101 implications, we are unpersuaded by these arguments because independent claim 99 does not

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3 Even putting aside the economic aspects of the claimed method, the Appellants’ arguments are aligned with an alternate determination that the focus of independent claim 99 is on the collection, analysis, and display of information. If so, the claimed method is comparable to cases in which the claims at issue were considered to fall under the data-collection umbrella of abstract ideas. For example, in Electric Power Group, LLC v. Alstom S.A., 830 F.3d 1350, 1355 (Fed. Cir. 2016), the Federal Circuit held that “merely selecting information, by content or source, for collection, analysis, and display” does nothing significant to differentiate a process from “the information-based category of abstract ideas.” Although the information at issue was limited to the particular technological environment of power-grid monitoring, this did not “change its character as information.” (Id. at 1353.) Also, “limiting the claims to the particular technological environment of power-grid monitoring” was “insufficient to transform them into patent-eligible applications of the abstract idea at their core.” Id. at 1354.
require a “paper” check. In fact, the Specification conveys that the steps involving the tallying, updating, and settling of checks are performed by or at a point-of-sale terminal. (See, e.g., Spec. 12, ll. 10–20; Fig. 8.)

The Appellants further advance arguments premised upon the claimed method “solv[ing] problems that only arose as [the] result of recent technological developments” and effects “the functioning of the computer itself.” (Appeal Br. 14, 16.) According to the Appellants, the problem being solved “is the problem of orphaned gift cards.” (Id. at 14.) We are not persuaded by these arguments because, inasmuch as this problem is solved by the claimed method, the solution does not stem from recited computer components. As discussed above, the purported financially-favorable result produced by the claimed method is due solely to an economic aspect of the content of the information stored for the gift card.

Accordingly, the Appellants do not establish that the Examiner errs in concluding that independent claim 99 does not pass muster under the two-step Alice test. As for the Appellants’ position regarding preemption (see Appeal Br. 15), these arguments have been fully considered. However, preemption issues are fully addressed and made moot when, as here, a claim is deemed to recite only patent ineligible subject matter under the Alice test. “While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” Ariosa Diagnostics, Inc. v. Sequenom, Inc., 788 F.3d 1371, 1379 (Fed. Cir. 2015).

Thus, we affirm the Examiner’s rejection of independent claim 99 under 35 U.S.C. § 101.
Independent claims 139 and 140 are rejected for the same reasons as independent claim 99 (see Final Action 2–3); and they are argued in conjunction therewith (see Appeal Br. 7–17). As such, the Appellants likewise do not establish that the Examiner errs in the rejection of independent claims 139 and 140.

Thus, we affirm the Examiner’s rejection of independent claims 139 and 140 under 35 U.S.C. § 101.

As for the dependent claims, we agree with the Examiner that the additional limitations recited in these claims (e.g., prepayment options, complementary status, POS-terminal settings, product categorizations, menu items, product identifiers, redemption-entitlement rules, product stocking, account updates, loyalty rewards programs, gift card types, franchisee associations, entity ownerships, etc.) do not elevate the claimed concept above an abstract idea involving the exchange of financial obligations, nor do they transform this abstract idea into a patent-eligible application. (See Answer 4.) To the extent that the Appellants argue otherwise (see Appeal Br. 17), we are not persuaded by these arguments.

Thus, we affirm the Examiner’s rejection of dependent claims 98–103, 105–132, and 134–136.

DECISION

We AFFIRM the Examiner’s rejection of claims on appeal.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED