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MEYERTONS, HOOD, KIVLIN, KOWERT & GOETZEL, P.C.
P.O. BOX 398
AUSTIN, TX 78767-0398

EXAMINER
APPLE, KIRSTEN SACHWITZ

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte TRACEY R. THOMAS

Appeal 2014-005828
Application 12/710,566[1]
Technology Center 3600

Before HUBERT C. LORIN, BIBHU R. MOHANTY, and BRADLEY B. BAYAT, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Tracey R. Thomas (Appellant) seeks our review under 35 U.S.C. § 134 of the Examiner's Final rejection of claims 1–4, 6–10, 20–22, 24, and 26–30, which are all the claims pending and rejected in the application. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We REVERSE and enter a NEW GROUND OF REJECTION.

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[1] The Appellant identifies Propulsion Remote Holdings, LLC as the real party in interest (App. Br. 3).

THE INVENTION

Claim 1, reproduced below, is illustrative of the subject matter on appeal.

1. A method comprising:

receiving, at a computer-based system, financial information relating to a user, wherein the financial information includes user savings goal information and user income information;

determining, by the computer-based system, user debt obligations including a monetary penalty and a non-monetary penalty associated with late payment of the user debt obligations; and

determining, by the computer-based system, a payment hierarchy for the user based upon the received financial information, the user debt obligations, the monetary penalty, and the non-monetary penalty, wherein the payment hierarchy specifies a savings amount of the user, a timing for transferring the savings amount to an account of the user, and timings for paying one or more of the user debt obligations.

THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Pickering	US 5,684,965	Nov. 4, 1997
Antognini et al. ("Antognini")	US 2002/0023055 A1	Feb. 21, 2002
Crane	US 7,313,543 B1	Dec. 25, 2007

Claims 1–3, 6, 8–10, 20, 21, 24, 27, 28, and 30 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Crane and Antognini.[2]

Claims 4, 26, and 29 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Crane, Antognini, and Pickering.

Claims 7 and 22 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Crane, Antognini, and Official Notice.

ISSUES

Did the Examiner err in rejecting claims 1–3, 6, 8–10, 20, 21, 24, 27, 28, and 30 under 35 U.S.C. § 103(a) as being unpatentable over Crane and Antognini; claims 4, 26, and 29 under 35 U.S.C. § 103(a) as being unpatentable over Crane, Antognini, and Pickering; and claims 7 and 22 under 35 U.S.C. § 103(a) as being unpatentable over Crane, Antognini, and Official Notice?

ANALYSIS

The rejection of claims 1–3, 6, 8–10, 20, 21, 24, 27, 28, and 30 under 35 U.S.C. § 103(a) as being unpatentable over Crane and Antognini.

The independent claims are claims 1, 20, 27, and 30. Claim 1 includes the limitations "a non-monetary penalty" and "determining . . . a payment hierarchy for the user based upon . . . the non-monetary penalty." Claims 20, 27, and 30 include similar limitations.

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[2] Notwithstanding that the statement of the rejection does not include it, claim 30 is pending as added by the amendment filed on May 13, 2013 and entered via the filing of the RCE on the same date. Claim 30 is an independent apparatus claim that mirrors method claim 1 and product claim 20.

The Examiner finds the "non-monetary penalty" of claim 1 in the "hold and review code" and the examples thereafter disclosed in Crane at col. 3, ll. 32–45, and finds the claimed "payment hierarchy" in Crane in payment hierarchies 19 and 24 of Figure 2 and in step 320 of Figure 3b (Non-Final Act. 3–4).

The Appellant argues, *inter alia*, that the payment hierarchy in Crane is not based on the "hold and review code" or the collections process and therefore does not meet the claim 1 limitation "based upon . . . the non-monetary penalty" (Appeal Br. 13–15).

We agree with the Appellant.

Claim 1 requires that the payment hierarchy is determined "based upon" the non-monetary penalty, and therefore the claim requires that at least some information about the non-monetary penalty is used to determine the payment hierarchy. We have reviewed the cited disclosure and we see no evidence that either of the payment hierarchies in Crane are determined based on any information about the "hold and review code" or the other examples (e.g., collections process) disclosed in Crane.

Crane discloses two distinct payment hierarchies 19 and 24 for allocating remitted funds to charges and investments, respectively. First, payment hierarchy system 19 "applies a payment hierarchy to the remitted funds to determine the ordering for applying payments to the outstanding amounts owed" to merchants based on card charges (Crane, col. 10, lines 23–29). This application of payment hierarchy 19 corresponds to step 320 in Figure 3B (Crane, col. 9, lines 51–55). Second, if the remitted funds were sufficient to satisfy all the card charges, "payment hierarchy system 24 processes the remitted payments to determine the allocation of funds to the

preselected investment products" (Crane, col. 10, lines 40–45). In other words, payment hierarchy 19 is designed to avoid default on any of the card charges, and thereby avoids the collections process. Payment hierarchy 24 is used to allocate investment funds only if all card charges have been paid. We do not see any disclosure in Crane indicating that either payment hierarchy 19 or 24 is determined based upon any information about the collections process or any other example of a "hold and review code."

Accordingly, the rejection is not sustained.

The rejection of claims 4, 26, and 29 under 35 U.S.C. § 103(a) as being unpatentable over Crane, Antognini, and Pickering.

The rejection of claims 7 and 22 under 35 U.S.C. § 103(a) as being unpatentable over Crane, Antognini, and Official Notice.

The rejections of dependent claims 4, 7, 22, 26, and 29 are also not sustained. These rejections rely on the erroneous finding in Crane discussed above. Because there is inadequate evidence in support for said finding, a *prima facie* case of obviousness has not been made out in the first instance by a preponderance of the evidence.

NEW GROUND OF REJECTION

Claims 1–4, 6–10, 20–22, 24, and 26–30 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

Alice Corp. Pty. Ltd. v. CLS Bank Int'l, 134 S.Ct. 2347 (2014) identifies a two-step framework for determining whether claimed subject matter is judicially-excepted from patent eligibility under § 101. According to *Alice* step one, "[w]e must first determine whether the claims at issue are directed to a patent-ineligible concept," such as an abstract idea. *Alice*, 134 S.Ct. at 2355.

Taking claim 1 as representative of the claims on appeal, the claimed subject matter is directed to the abstract idea of determining a payment hierarchy. *Cf. Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1333 (Fed. Cir. 2015), cert. denied, 136 S. Ct. 2510 (2016) ("Using organizational and product group hierarchies to determine a price is an abstract idea that has no particular concrete or tangible form or application.")

Step two is "a search for an ['']inventive concept['']--i.e., an element or combination of elements that is 'sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.'" *Alice* at 1297.

We see nothing in the subject matter claimed that transforms the abstract idea of determining a payment hierarchy. Claims 1 and 27 cover methods employing a generic "computer-based system," i.e., a general purpose computer (*see* Specification para. 165) to determine a payment hierarchy. Claim 20 is directed to a "non-transitory computer readable medium having program instructions stored thereon that" determine a

payment hierarchy. Claim 30 is directed to a conventional "computer system" comprising a generic "processor" and "memory having program instructions stored therein that are executable by the processor to cause the computer system to" determine a payment hierarchy.

Therefore, we enter a new ground of rejection of claims 1–4, 6–10, 20–22, 24, and 26–30 under 35 U.S.C. § 101.

CONCLUSION

The rejection of claims 1–3, 6, 8–10, 20, 21, 24, 27, 28, and 30 under 35 U.S.C. § 103(a) as being unpatentable over Crane and Antognini is not sustained.

The rejection of claims 4, 26, and 29 under 35 U.S.C. § 103(a) as being unpatentable over Crane, Antognini, and Pickering is not sustained.

The rejection of claims 7 and 22 under 35 U.S.C. § 103(a) as being unpatentable over Crane, Antognini, and Official Notice is not sustained.

DECISION

The decision of the Examiner to reject claims 1–4, 6–10, 20–22, 24, and 26–30 under 35 U.S.C. § 103(a) is reversed.

Claims 1–4, 6–10, 20–22, 24, and 26–30 are newly rejected under 35 U.S.C. § 101.

NEW GROUND

This decision contains a new ground of rejection pursuant to 37 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides "[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial

review." 37 C.F.R. § 41.50(b) also provides that the Appellant(s), WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

> (1) Reopen prosecution. Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner . . . .
>
> (2) Request rehearing. Request that the proceeding be reheard under § 41.52 by the Board upon the same record . . . .

REVERSED; 37 C.F.R. § 41.50(b)