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Table with 5 columns: APPLICATION NO., FILING DATE, FIRST NAMED INVENTOR, ATTORNEY DOCKET NO., CONFIRMATION NO.
12/911,427 10/25/2010 Amarjit S. Padam CCJ-00101 1146

7590 10/31/2016
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EXAMINER

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ART UNIT PAPER NUMBER

3621

MAIL DATE DELIVERY MODE

10/31/2016

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* AMARJIT S. PADAM and  
GAURAV MALLIK

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Appeal 2014-009239  
Application 12/911,427  
Technology Center 3600

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

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF CASE

Appellants<sup>1</sup> appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1–8, 10–18, and 20<sup>2</sup> which are all the claims pending and rejected in the application. We have jurisdiction under 35 U.S.C. § 6(b).

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<sup>1</sup> Appellants identify the real party in interest as “Payment Transaction Services, Inc. (DBA CaptureCode),” (Br. 1).

<sup>2</sup> Appellants request reversal of the rejection of claims 1–8 and 10, and do not contest the rejections of claims 11–18 and 20 (Br. 10).

## STATEMENT OF THE DECISION

We AFFIRM-IN-PART and enter a NEW GROUND OF REJECTION.

### CLAIMED INVENTION

The claimed invention relates to “transaction processing methods and systems that allow merchants to more effectively and efficiently provide offerings to consumers such as marketing promotions (e.g., coupons), loyalty and reward programs, and stored value card programs (e.g., prepaid gift cards and store credit)” (Spec. para. 2). Claims 1 and 11 are the independent claims on appeal. Claim 1, reproduced below, is illustrative of the subject matter on appeal (Br. 11, Claims App.).

1. A computer-implemented transaction processing method allowing consumers to access offerings across a plurality of merchants using a single unique identification for each consumer, the method comprising:
  - (a) storing information on the consumers in a database including a unique identification associated with each of the consumers;
  - (b) storing information on one or more merchant offerings from each of the plurality of merchants in a database; and
  - (c) for each of said plurality of merchants:
    - (i) receiving from a merchant over a communications network information on a proposed transaction with a consumer involving a merchant offering, said information including an identification of the merchant and the merchant offering, and the unique identification of the consumer;
    - (ii) verifying that the unique identification of the consumer is valid and that the consumer is eligible to participate in the merchant offering, and transmitting a message to the merchant over the communications network indicating

that the unique identification of the consumer is valid and that the consumer is eligible to participate in the merchant offering such that the merchant can proceed with applying the merchant offering to the transaction; and

(iii) receiving settlement information over the communications network from the merchant confirming that the merchant offering was applied to the transaction with the consumer, and storing the settlement information in a database.

### REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Iannacci	US 2002/0062249 A1	May 23, 2002
Wiken	US 2007/0094080 A1	Apr. 26, 2007

1. Claims 1–8 and 10 stand rejected under 35 U.S.C. § 112, first paragraph, for failing to comply with the written description requirement.

2. Claims 11–18 and 20 stand rejected under 35 U.S.C. § 112, second paragraph, for failing to particularly point out and distinctly claim the subject matter which Appellants regard as the invention.<sup>3</sup>

3. Claims 11–18 and 20 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Iannacci and Wiken.<sup>4</sup>

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<sup>3</sup> Although the heading of the rejection includes claims 1–8 and 10, the Examiner did not provide any explanation as to why these claims are indefinite (Final Act. 6–8). Accordingly, we consider the rejection as applying only to claims 11–18 and 20.

<sup>4</sup> The Examiner withdrew the rejection of claims 1–8 and 10 under 35 U.S.C. § 103(a) as being unpatentable over Iannacci and Wiken in the Answer (Ans. 2–3).

## ISSUES

Did the Examiner err in rejecting claims 1–8 and 10 under 35 U.S.C. § 112, first paragraph, for failing to comply with the written description requirement?

Did the Examiner err in rejecting claims 11–18 and 20 under 35 U.S.C. § 112, second paragraph, for failing to particularly point out and distinctly claim the subject matter which Appellants regard as the invention.

Did the Examiner err in rejecting claims 11–18 and 20 under 35 U.S.C. § 103(a) as being unpatentable over Iannacci and Wiken?

## ANALYSIS

*The rejection of claims 1–8 and 10 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.*

The Examiner finds that said claimed subject matter is not adequately described in the Specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor at the time the application was filed had possession of it (Ans. 3–10). According to the Examiner, although the claimed “verifying . . .” step was present in claim 1 as originally filed, this step “represents a genus of software algorithms” (Ans. 4) (citing *Ariad Pharm., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336 (Fed. Cir. 2010)). The Examiner also indicates that the rejection should be maintained for the additional reason that the Appellants have not enabled the full scope of the claim (Ans. 8–9).

The Appellants dispute this rejection on the grounds that the “simple step of verifying . . . is conventional and well within the realm of what one skilled in the art would understand and could implement” (Br. 5).

Although we commend the Examiner for providing a detailed discussion of the issue, we will not sustain the rejection.

“[T]he level of detail required to satisfy the written description requirement varies depending on the nature and scope of the claims and on the complexity and predictability of the relevant technology.” *Ariad* at 1351. In this case, although the claimed “verifying” step at issue here is described in purely functional terms, the Examiner and the Appellants are in agreement that the “verifying” step is conventional.<sup>5</sup> The Examiner has provided no evidence that the “verifying” step yields anything unexpected, or that undue experimentation would be required to implement such a function. *C.f.*, *Fonar Corp. v. Gen. Elec. Co.*, 107 F.3d 1543, 1549 (Fed. Cir. 1997) (functional description of software satisfied best mode requirement because “writing code for such software is within the skill of the art, not requiring undue experimentation, once its functions have been disclosed.”). Regarding enablement, the Examiner has not provided any analysis of the factors set forth in *In re Wands*, 858 F.2d 731, 737 (Fed. Cir. 1988). Accordingly, the rejection is not sustained.

*The rejection of claims 11–18 and 20 under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the subject matter which Appellants regard as the invention.*

Appellants have not contested the rejection under 35 U.S.C. § 112, second paragraph, for failing to particularly point out and distinctly claim

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<sup>5</sup> The Examiner found every element of the claimed “verifying” step in Iannacci (Final Act. 9).

the subject matter which Appellants regard as the invention (Br. 4). Thus, we summarily sustain the rejection.

*The rejection of claims 11–18 and 20 under 35 U.S.C. § 103(a) as being unpatentable over Iannacci and Wiken.*

Appellants have not contested the rejection of claims 11–18 and 20 under 35 U.S.C. § 103(a) as being unpatentable over Iannacci and Wiken (Br. 10). Thus, we summarily sustain the rejection of claims 11–18 and 20.

#### NEW GROUND OF REJECTION

Claims 1–8, 10–18, and 20 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

*Alice Corp. Pty. Ltd. v. CLS Bank Intern.*, 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 the independent claims 1 and 11 as representative of the claims on appeal, the claimed subject matter is directed to the abstract idea of confirming a consumer’s eligibility for a merchant’s promotional offer. As such, the claims are directed to a “longstanding commercial practice” and a “method of organizing human activity.” *See Alice* at 2356–57.

Step two of the *Alice* framework 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.’” *Id.*

In that regard, each of the claims lacks meaningful limitations on the abstract idea. Claim 1 is a “computer-implemented transaction processing method” including the steps of (a) storing a unique identification for a consumer in a database, (b) storing a merchant offering in a database, and (c) for each of a plurality of merchants: (i) receiving a proposed transaction (e.g., from a POS system), (ii) verifying the consumer’s eligibility for the offering, and (iii) receiving settlement information and storing it in a database. Claim 11 is directed to a system including a server in communication with a plurality of client devices operated by a plurality of merchants and a database, with the system implementing essentially identical steps as the method of claim 1. The claims simply tell a practitioner that a merchant device (e.g., POS system) can connect to a server to confirm the consumer’s eligibility for a promotional offer. Although the claims recite generic computer elements such as “client devices,” “a server,” and “a database,” “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *Alice* 134 S. Ct. at 2358. *Cf., Inventor Holdings, LLC v. Bed Bath & Beyond Inc.*, 123 F.Supp.3d 557, 560 (D. Del. 2015), *aff’d*, 643 F. App’x 1014 (Fed. Cir. 2016) (claims directed to the use of a POS terminal to transmit transaction-related information and to process payments held invalid under 35 U.S.C. § 101).

Therefore, we enter a new ground of rejection of claims 1–8, 10–18, and 20 under 35 U.S.C. § 101.

### CONCLUSIONS

The rejection of claims 1–8 and 10 under 35 U.S.C. §112, first paragraph, as failing to comply with the written description requirement is not sustained.

The rejection of claims 11–18 and 20 under 35 U.S.C. §112, second paragraph, as failing to particularly point out and distinctly claim the subject matter which Appellants regard as the invention is sustained.

The rejection of claims 11–18 and 20 under 35 U.S.C. § 103(a) as being unpatentable over Iannacci and Wiken is sustained.

Claims 1–8, 10–18, and 20 are newly rejected under 35 U.S.C. § 101.

### DECISION

The decision of the Examiner to reject claims 1–8 and 10 is reversed.

The decision of the Examiner to reject claims 11–18 and 20 is affirmed.

Claims 1–8, 10–18, and 20 are newly rejected.

### 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 Appellants, 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 . . . .

Should Appellants elect to prosecute further before the Examiner pursuant to 37 C.F.R. § 41.50(b)(1), in order to preserve the right to seek review under 35 U.S.C. §§ 141 or 145 with respect to the affirmed rejection, the effective date of the affirmance is deferred until conclusion of the prosecution before the Examiner unless, as a mere incident to the limited prosecution, the affirmed rejection is overcome.

If Appellants elect prosecution before the Examiner and this does not result in allowance of the application, abandonment or a second appeal, this case should be returned to the Patent Trial and Appeal Board for final action on the affirmed rejection, including any timely request for rehearing thereof.

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

AFFIRMED-IN-PART; 37 C.F.R. § 41.50(b)