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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* JO WEBBER and PRADEEP ITTYCHERIA

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Appeal 2015-003796  
Application 13/567,610  
Technology Center 3600

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Before BIBHU R. MOHANTY, BRUCE T. WIEDER, and SHEILA F.  
McSHANE, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-29 which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

SUMMARY OF THE DECISION

We AFFIRM.

## THE INVENTION

The Appellants' claimed invention is directed to an Internet payment system (Spec., para. 2). Claim 1, reproduced below, is representative of the subject matter on appeal.

1. A computer-implemented method of establishing an online account for a prospective user, comprising a non-transitory computer readable medium including a program and a computer executable program code, the method comprising:
  - establishing, by a custodian at a first server computer, a first account having a direct deposit component linked to a debit card component, both components being associated with a prospective user, the settings of the first account being stored in a database and being controlled by the custodian, the prospective user being different from the custodian;
  - establishing a username and password associated with the prospective user, the username and password being stored in the database;
  - establishing, at a service requester server computer, a merchant account with a service requester to transact payment from the debit card component of the first account upon a donation request by the prospective user, the service requester being previously approved by the custodian in the settings of the first account;
  - funding the direct deposit component of the first account by contributors approved by the custodian; and
  - transacting the donation request by supplying the prospective user's username and password to the first account and verifying that this information is consistent with the settings of the first account, and transferring payment from the debit card component of the first account to the merchant account,
    - wherein the prospective user is identified to the merchant account solely by the username and password, and
    - wherein billing information for the purchase request is provided to the merchant account from the online account according to the specific control parameters, such that the prospective user cannot change the billing information during the donation request transaction.

### THE REJECTIONS

The following rejections are before us for review:

1. Claims 1-23, 25, 26, 28, and 29 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.
2. Claims 1-29 are rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement and show possession of the invention.
3. Claims 7-9, 12, 14, 26, 28, and 29 are rejected under 35 U.S.C. § 103(a) as unpatentable over Perlman (US 2010/0223184 A1, published Sep. 2, 2010), Scipioni (US 2009/0112763 A1, published Apr. 30, 2009), and Bishop (US 2009/0299841 A1, published Dec. 3, 2009).
4. Claims 1-6, 10, 11, 13, 15-25, and 27 are rejected under 35 U.S.C. § 103(a) as unpatentable over Perlman, Collas (US 2010/0114733 A1, published May 6, 2010), Scipioni, and Bishop.

### FINDINGS OF FACT

We have determined that the findings of fact in the Analysis section below are supported at least by a preponderance of the evidence<sup>1</sup>.

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<sup>1</sup> See *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

## ANALYSIS

### *Rejection under 35 U.S.C. § 101*

The Examiner has determined that rejection under 35 U.S.C. § 101 is properly made (Ans. 3, 4).

The Appellants provided arguments in regard to claims 7-11, 26, 28, and 29 stating the rejection is improper ( Br. 16).

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

In judging whether claim 1 falls within the excluded category of abstract ideas, we are guided in our analysis by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). In accordance with that framework, we first determine whether the claim is “directed to” a patent-ineligible abstract idea. If so, we then consider the elements of the claim both individually and as “an ordered combination” to determine whether the additional elements “transform the nature of the claim” into a patent-eligible application of the abstract idea. *Id.* This is a search for an “inventive concept,” an element or combination of elements sufficient to ensure that the claim amounts to “significantly more” than the abstract idea itself. *Id.* The Court also stated that “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention”. *Id.* at 2358.

Here, the Answer was mailed on December 19, 2014, which was after the date *Alice* was decided. The Answer fails to set forth any analysis that both that the claim is directed to an abstract idea, and that the claims do not provide “significantly more” than any abstract idea. The Answer provides an incomplete analysis and appears to only apply the machine-or-transformation test (Ans. 3). In determining patent eligibility the machine-or-transformation test is a useful clue but not the sole test for deciding patent eligibility. See *Bilski v. Kappos*, 561 U.S. 593 (2010) slip opinion at 8. Accordingly, as an incomplete analysis has been presented before us the rejection under 35 U.S.C. § 101 is not sustained for claims 1-6, 12-23, and 25.

The Answer at pages 4 and 5 provides an incomplete analysis using the framework set forth in *Alice* for claims 7-11, 26, 28, and 29 as well. As an incomplete analysis has not been performed for patent eligibility under 35 U.S.C. § 101 this rejection is not sustained for these claims as well.

*Rejection under 35 U.S.C. § 112 (first paragraph)*

The Examiner has rejected claim 1 under 35 U.S.C. § 112 (first paragraph) for failure to provide support for the claim limitation:

wherein the prospective user is identified to the merchant account solely by the username and password, and  
wherein billing information for the purchase request is provided to the merchant account from the online account according to the specific control parameters, such that the prospective user cannot change the billing information during the donation request transaction.

(Ans. 2, 3).

In contrast, the Appellants argue support for this claim limitation is found in the Specification at paragraphs 3-6, 46-49, 73, and 75 (Br. 15, 16).

A review of these cited portions fails to disclose the cited claim limitations. For example, paragraph 46 states that a user name and password *may* be used, but not this is not disclosed as *solely* the method that can be used. Further, there is no specific mention of restriction on *billing information* as claimed at these cited portions.

The Appellants also states that application 13/431,023 is a parent which incorporates application 12/991,059 and cites support in that application at paras 71, 74, and 75 as providing support (Br. 16). A review of the 12/991,059 at the cited paragraphs fails to disclose the cited claim limitation as well.

For these above reasons, this rejection of record is sustained.

*Rejection under 35 U.S.C. § 103*

The Appellants argue that the rejection of claim 1 is improper because the cited prior art fails to disclose the claim limitation requiring:

the prospective user is identified to the merchant account solely by the username and password, and  
wherein billing information for the purchase request is provided to the merchant account from the first account according to the specific control parameters, such that the prospective user cannot change the billing information during the donation request transaction

(Br. 19-20).

In contrast, the Examiner has determined that the cited claim limitation is shown by Bishop at paras. 52 and 76, or would have been an obvious modification (Ans. 7-9).

We agree with the Appellants. Here, the citations to Bishop at paras. 52 and 76 fail to specifically disclose that the user is identified to the merchant *solely* by the username and password, or that the billing

information *cannot change* during the purchase request transaction. The rejection also fails to provide an articulated reasoning with rational underpinnings for the combination without impermissible hindsight and the rejection of claim 1 and its dependent claims is not sustained. Claims 15, 18 and 24 are rejected on the same grounds and the rejection of these claim and its dependent claims is not sustained as well.

Independent claim 7 contains a similar limitation to those identified above for which the Examiner relies on Bishop at paras. 52 and 76 for disclosure. As noted above Bishop at those portions fails to disclose those claim limitations. Likewise the rationale in this rejection also fails to provide articulated reasoning with rational underpinnings for the combination without impermissible hindsight and the rejection of claim 7 and its dependent claims is not sustained. Claims 12 and 28 are rejected on the same grounds and the rejection of these claims and their dependent claims is not sustained as well.

#### CONCLUSIONS OF LAW

We conclude that Appellants have not shown that the Examiner erred in rejecting the claims 35 U.S.C. § 112 (first paragraph) as listed in the Rejections section above.

We conclude that Appellants have shown that the Examiner erred in rejecting the claims under 35 U.S.C. § 101 and 35 U.S.C. § 103(a) as listed in the Rejections section above.

#### DECISION

The Examiner's rejection of claims 1-29 is sustained.



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

AFFIRMED