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EXAMINER
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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* MICHAEL J. HAFER and MICHAEL J. MICHELSEN

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Appeal 2015-004746  
Application 10/687,575<sup>1</sup>  
Technology Center 3600

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Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and  
ANTON W. FETTING, Administrative Patent Judges.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Michael J. Hafer, et al. (Appellants) seek our review under 35 U.S.C. § 134 of the final rejection of claims 49–51. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We AFFIRM.

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<sup>1</sup> The Appellants identify The Western Union Company of Englewood, Colorado as the real party in interest. App. Br. 2.

## THE INVENTION

Claim 49, reproduced below, is illustrative of the subject matter on appeal.

49. In a relationship between a customer, a transaction provider and a service provider, the transaction provider providing money transfer services for the customer and the customer having an account, the account being associated with a convenience card, a system for enhancing customer loyalty in money transfer transactions, the system comprising:

a communication network, the communication network being configured to transport information relating to the money transfer services being provided by the transaction provider;

means for receiving an identifier from the convenience card, the identifier including sufficient identifying information to allow the transaction provider to identify the customer's account with the transaction provider, the means for receiving an identifier from the convenience card being situated at a particular origination location;

means for receiving a request from the customer to process a money transfer transaction to a particular destination location to pay for a purchase of a good;

means for transmitting via the communication network the identifier and the request to process a money transfer transaction;

means for receiving via the communication network the identifier and the request to process a money transfer transaction;

means for identifying the customer's account based on the identifying information included in the identifier;

means for returning to the point of sale device stored transaction information identifying prior money

transfer recipients of the customer for use by the point of sale device to automatically prepare a transaction form associated with the request to process the money transfer transaction; and

means for determining a prevailing price for the good at a location of the customer;

means for crediting the customer's account with an award based at least in part on the request to process a money transfer transaction, and at least in part on the prevailing price for the good.

### THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Sosa	US 2002/0099607 A1	July 25, 2002
Walker	US 6,690,779 B2	Feb. 10, 2004
Liebermann	US 7,287,009 B1	Oct. 23, 2007

The following rejections are before us for review:

1. Claims 49–51 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.
2. Claims 49–51 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Sosa, Walker and Liebermann.

### ISSUES

Did the Examiner err in rejecting claims 49–51 under 35 U.S.C. § 101 as being directed to non-statutory subject matter?

Did the Examiner err in rejecting claims 49–51 under 35 U.S.C. § 103(a) as being unpatentable over Sosa, Walker and Liebermann?

## ANALYSIS

*The rejection of claims 49–51 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. The Examiner finds that

Claim 49 is directed to a system for providing money transfer services. Claim 50 is directed to a system for providing money transfer services and crediting an account with a default award. Claim 51 is directed to a system for providing money transfer services and crediting an account with an award smaller than a default award.

Ans. 3. Presumably, the Examiner means to add that she finds said subject matter to which the claims are directed are abstract ideas. That is the Appellants’ understanding as well. *See* Reply Br. 2 (“The Answer states that the claims are directed to an abstract idea, specifically, that claims 49, 50, and 51 are directed to . . .”)

The Appellants do not challenge the Examiner’s articulation of the subject matter the claims are directed to. Nor do the Appellants challenge that said subject matter to which the claims are directed are abstract ideas. Rather, the Appellants argue that the Examiner “does not support such a conclusion with any evidence as required by *Alice*.” Reply Br. 2.

The argument is unpersuasive.

Consideration of evidence in making a determination under the first step of the *Alice* framework has merit. *See Apple, Inc. v. Ameranth, Inc.*,

842 F.2d 1229 (Fed. Cir. 2016). But there is no requirement that examiners must provide evidentiary support in every case before a conclusion can be made that a claim is directed to an abstract idea. *See, e.g.*, para. IV “July 2015 Update: Subject Matter Eligibility” to 2014 Interim Guidance on Subject Matter Eligibility (2014 IEG), 79 Fed. Reg. 74618 (Dec. 16, 2014) (“The courts consider the determination of whether a claim is eligible (which involves identifying whether an exception such as an abstract idea is being claimed) to be *a question of law*. Accordingly, courts do not rely on evidence that a claimed concept is a judicial exception, and in most cases resolve the ultimate legal conclusion on eligibility without making any factual findings.”) (emphasis added). Evidence may be helpful in certain situations where, for instance, facts are in dispute. But it is not always necessary. It is not necessary in this case.

Rather, we need only look to other decisions where similar concepts were previously found abstract by the courts. *See Amdocs (Israel) Ltd. v. Openet Telecom, Ltd.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016):

[A] search for a single test or definition in the decided cases concerning § 101 from this court, and indeed from the Supreme Court, reveals that at present there is no such single, succinct, usable definition or test [for, what an ‘abstract idea’ encompasses]. Instead of a definition, then, the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided. *See, e.g.*, [*Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1353-54 (Fed. Cir. 2016)]. [n. 2] That is the classic common law methodology for creating law when a single governing definitional context is not available. *See generally* Karl N. Llewellyn, *The Common Law Tradition: Deciding Appeals* (1960). This more flexible approach is also the

approach employed by the Supreme Court. *See also Alice*, 134 S. Ct. at 2355–57. We shall follow that approach here.

[*Amdocs (Israel) Ltd.*, 841 F.3d 1288 at n.2.]

See also Robert W. Bahr, Deputy Comm’r for Patent Examination Policy, USPTO, Recent Subject Matter Eligibility Decisions (*Enfish, LLC v. Microsoft Corp. and TLI Commc’ns LLC v. A.V. Automotive, LLC*) (2016) at 2: “In summary, when performing an analysis of whether a claim is directed to an abstract idea (Step 2A), examiners are to continue to determine if the claim recites (i.e., sets forth or describes) a concept that is similar to concepts previously found abstract by the courts.

In that regard, the concepts of money transferring and credit accounting to which the claims have been found directed to are similar to, for example, “[p]erforming a sales transaction over the Internet, or in conjunction with an auction and a competitive activity” (*Priceplay.com, Inc. v. AOL Advert., Inc.*, 83 F. Supp. 3d 577, 581 (D. Del. 2015), *aff’d*, 627 F. App’x 925 (Fed. Cir. 2016)) which has been found to be an abstract idea.

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*, 134 S. Ct. at 2355 (alteration in original) (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1294 (2012)).

The Examiner found

The claims as a whole, do not amount to significantly more than the abstract idea itself. This is because the claims do not effect an improvement to another technology or technical field; the claims do not amount to an improvement to the functioning

of a computer itself; and the claims do not move beyond a general link of the use of an abstract idea to a particular technological environment.

Ans. 3.

The Appellants disagree, arguing that “even if we assume, in arguendo, that the Answer has properly identified and substantiated that the present claims are directed to an abstract idea, the Answer is incorrect that the remainder of the claims do not add significantly more the potential abstract idea itself.” Reply Br. 3. According to the Appellants, (a) “[c]laims which do not risk tying up the use of an abstract idea do not pose a risk of pre-empting others from exploiting these ‘building blocks’ of human ingenuity” (Reply Br. 3) and (b) “[t]he substantive allowability of the claims indicate that they recite new possible ways of implementing some alleged abstract idea over other possible ways that came before it (i.e., the prior art)” (Reply Br. 3).

(a) The difficulty with this argument is that it confuses the pre-emption concern with the level of abstraction describing the abstract idea. The Appellants submit that when “claims recite only one of many particular ways of implementing an abstract idea, such claims are patent eligible.” Reply Br. 3. But with respect to the pre-emption concern, “[w]hat matters is whether a claim threatens to subsume the full scope of a fundamental concept, and when those concerns arise, we must look for meaningful limitations that prevent the claim as a whole from covering the concept’s every practical application.” *CLS Bank Int’l. v. Alice Corp. Pty. Ltd.*, 717 F.3d 1269, 1281 (Fed. Cir. 2013) (Lourie, J., concurring). Here, the more limited way of implementing the abstract idea (e.g., rather than simply



providing money transfer services, “receiving a request from the customer to process a money transfer transaction to a particular destination location to pay for a purchase of a good” (claim 49)), narrows the abstract idea so that it is described at a lower level of abstraction. It does not render the abstract idea to which the claim is directed any less an abstract idea.

Pre-emption is not a separate test.

To be clear, the proper focus is not preemption *per se*, for some measure of preemption is intrinsic in the statutory right granted with every patent to exclude competitors, for a limited time, from practicing the claimed invention. *See* 35 U.S.C. § 154. Rather, the animating concern is that claims should not be coextensive with a natural law, natural phenomenon, or abstract idea; a patent-eligible claim must include one or more substantive limitations that, in the words of the Supreme Court, add “significantly more” to the basic principle, with the result that the claim covers significantly *less*. *See Mayo* 132 S. Ct. at 1294. Thus, broad claims do not necessarily raise § 101 preemption concerns, and seemingly narrower claims are not necessarily exempt.

*Id.* *See also Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (“[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.”).

We have considered the Appellants’ position in “look[ing] at the ‘focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.” *Affinity Labs of Texas v. DirectTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016) (citing *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016); *see also Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016). Here, the Appellants do not persuasively show that any claim

limitation supports viewing said focus and determination as not directed to said abstract idea but rather rooted in technology. *Cf. DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014) (“the claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.”) Instead, the Appellants make a case for “one of many particular ways of implementing an abstract idea.” Reply Br. 3. But that does little to ensure that the claimed subject matter as a whole amounts to significantly more than the abstract idea itself. While a particular approach may prevent pre-emption of all possible ways of providing money transfer services, it does not make the claimed subject matter any less directed to an abstract idea. *Cf. OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–1363 (Fed. Cir.) (*cert. denied*, 136 S. Ct. 701, 193 L. Ed. 2d 522 (2015)) (“[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.”).

Because we find the claimed subject matter covers patent-ineligible subject matter, the pre-emption concern is necessarily addressed. “Where a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, []preemption concerns are fully addressed and made moot.” *Ariosa Diagnostics*, 788 F.3d at 1379.

(b) The Appellants argue that “the repudiated § 102 or § 103 rejections” affect the determination that the claims are judicially-excepted from patent-eligibility under §101. Reply Br. 3. The argument is unpersuasive because §§ 102 and 103 and § 101 are separate inquiries. *See*

*Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1315 (Fed. Cir. 2016):

Indeed, “[t]he ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.” *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981) (emphasis added); see also *Mayo*, 132 S. Ct. at 1303–04 (rejecting “the Government’s invitation to substitute §§ 102, 103, and 112 inquiries for the better established inquiry under § 101”). Here, the jury’s general finding that Symantec did not prove by clear and convincing evidence that three particular prior art references do not disclose all the limitations of or render obvious the asserted claims does not resolve the question of whether the claims embody an inventive concept at the second step of *Mayo/Alice*.

Finally, the Appellants argue that “the blanket rejection of all claims without analysis of each claim under the *Alice* test is improper.” Reply Br. 4. In fact, the Examiner did address each claim. See the discussion above with respect to the Examiner’s analysis regarding *Alice* Step 1. Nevertheless, we find that the Examiner has followed the law and guidance in existence at the time the rejection was made. While it is always helpful to give more analysis, the Appellants do not persuasively show and we see no reason for the necessity to do so in this case.

For the foregoing reasons, the Appellants’ arguments are unpersuasive as to error in the rejection. Accordingly, the rejection is sustained.

*The rejection of claims 49–51 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Sosa, Walker and Liebermann.*

Claim 49 includes the limitations

means for determining a prevailing price for the good at a location of the customer;

means for crediting the customer's account with an award based at least in part on the request to process a money transfer transaction, and at least in part on the prevailing price for the good.

We agree with the Appellants that the Final Rejection “does not specifically point to any portion of any reference teaching or suggesting such recitations. See Office Action, pp. 35 & 36. Applicant also cannot find any teaching or suggestion in any of the three presently cited references of an award based on a prevailing price for a good in a purchase.” App. Br. 5.

The Answer attempts to fill the void by explaining that, in light of the Specification, the claim phrase “prevailing prices” broadly encompasses the manner in which the incentive and motivation schemes disclosed in Sosa and Walker are practiced, as well as Liebermann, wherein determining of a location of a customer is disclosed. *See* Ans. 4–10. Specifically, for example, the Examiner argues that “Walker teaches determining a prevailing price for good (para. (col.2, lines 43-60 and col.8, line 50 to col.9, line 24).” Ans. 9. “[T]he Examiner is interpreting the combination of Sosa, Walker, and Lieberman disclosing and teaching ‘means for determining a prevailing price for the good at a location of the customer.’” Ans. 10.

We have reviewed said references but have been unable to find where exactly said claim limitations are disclosed or how the combination of references would have led one to the claimed subject matter as a whole. For

example, the cited Walker passages describe awarding and redeeming telephone time to a member of an incentive award program. As we understand it, the Examiner means to argue that redeeming telephone time necessarily implies that the telephone time that is redeemed is at the prevailing price for the telephone time at the location of the customer. While that may be the case, claim 49 requires more; that is, a prevailing price for the good at a location of the customer is *determined* and based, in part, on that *determination* an award is credited to the customer's account. While Walker may cover redeeming telephone time at a prevailing price for the telephone time at the location of the customer, no *determination* is disclosed as having been made and based, in part, on that *determination* an award is credited to the customer's account. It is a matter of speculation whether one of ordinary skill would have been led to make such a determination and base an award on it. As it stands, Walker is insufficient to lead one to what is claimed. The same difficulty is present with respect to the other prior art disclosures, individually and in combination.

We reach the same conclusions for claims 50 and 51. For the reasons stated in the Appeal Brief (App. Br. 6–7), we do not find the cited prior art adequate to lead one of ordinary skill in the art to “credit [an] account with an award larger than a default award based at least in part upon [a] requested money transfer transaction, and at least in part on the time of day of the requested money transfer transaction being an underutilized time of the service provider, the award being redeemable by the customer for credit toward the purchase of a product from a service provider” (claim 50) and “credit the customer's account with an award smaller than a default

award based at least in part on the request to process a money transfer transaction, and at least in part on the time of day of the money transfer transaction being an heavily utilized time of the service provider” (claim 51).

For the foregoing reasons, the rejection is not sustained.

#### CONCLUSIONS

The rejection of claims 49–51 under 35 U.S.C. §101 as being directed to non-statutory subject matter is affirmed.

The rejection of claims 49–51 are rejected under 35 U.S.C. §103(a) as being unpatentable over Sosa, Walker and Liebermann is reversed.

#### DECISION

The decision of the Examiner to reject claims 49–51 is affirmed.

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