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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte NATHAN JOHN HILT, WILLIAM ALEXANDER THAW, and LAURA SUZANNE CUDA

Appeal 2016-001732
Application 11/055,670[1]
Technology Center 3600

Before, JOSEPH A. FISCHETTI, BIBHU R. MOHANTY, and ALYSSA A. FINAMORE, *Administrative Patent Judges*.

FISCHETTI, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134 of the Examiner's final rejection of claims 50, 51, 56, 60–63, 67, 68, 70, 72, 76, 77, 81, 82, and 84–88. We have jurisdiction under 35 U.S.C. § 6(b).

[1] Appellants identify Visa Int'l Serv. Assoc. as the real party in interest. Appeal Br. 3.

SUMMARY OF DECISION

We AFFIRM.

THE INVENTION

Appellants' claims relate to funds transfer techniques to a beneficiary. (Spec. 1:9–10).

Claim 50 reproduced below, is representative of the subject matter on appeal.

> 50. A computer-implemented method for transferring funds to a beneficiary comprising:
>
> registering, by an originator bank computer at an originator bank, the originator bank with a payment service network to allow an originator to push the funds from the originator bank to a beneficiary bank maintaining a beneficiary account, wherein the beneficiary bank is registered with the payment service network to allow the beneficiary to receive the funds at the beneficiary bank;
>
> receiving, by the originator bank computer, a payment order message from the originator indicating funds to be transferred from an originator account at the originator bank to the beneficiary account at the beneficiary bank, wherein the beneficiary account is identified by a beneficiary indicator that uniquely identifies the beneficiary within a beneficiary bank and is a deposit-only indicator that cannot be used to withdraw funds from a beneficiary account at the beneficiary bank;
>
> authenticating, by the originator bank computer, the payment order message at the originator bank;
>
> sending, by the originator bank computer, a funds verification message to the beneficiary bank, wherein the funds verification message informs the beneficiary bank of the funds to be transferred to the beneficiary bank and includes the beneficiary indicator;
>
> receiving, at the originator bank computer, a funds verification response message sent from a beneficiary bank computer at the beneficiary bank, wherein the funds verification

response message authorizes or declines the transfer of the funds to the beneficiary bank; and

pushing, by the originator bank computer, the funds from the originator account maintained by the originator bank to the beneficiary account maintained by the beneficiary bank when the funds verification response message authorizes the transfer of the funds, wherein the step of pushing includes sending a settlement message from the originator bank to the beneficiary bank via the payment service network that includes the beneficiary indicator and an amount of the funds, wherein the beneficiary bank posts the funds to the beneficiary account,

wherein the payment service network comprises a payment participant reference file (PPRF), wherein the PPRF comprises a master list of all bank participants in the payment service network, wherein unique bank identification numbers are assigned to each bank, and wherein the PPRF is configured to:

subdivide beneficiary account numbers to uniquely identify customers associated with the beneficiary bank,

control functionality for customers associated with the beneficiary bank, and

indicate whether a service is enabled or disabled for the beneficiary bank, and

wherein the funds verification message is sent from the first computer to the beneficiary bank using the PPRF in the payment processing network.

THE REJECTION

The following rejection is before us for review.

Claims 50, 51, 56, 60–63, 67, 68, 70, 72, 76, 77, 81, 82, and 84–88 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

FINDINGS OF FACT

1. We adopt the Examiner's findings as set forth on page 2 of the Final Rejection.

ANALYSIS

We will sustain the rejection of claims 50, 51, 56, 60–63, 67, 68, 70, 72, 76, 77, 81, 82, and 84–88 under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Representative independent claim 50 recites in pertinent part:

> registering, by the originator bank computer at an originator bank, the originator bank with a payment service network to allow an originator to push the funds from the originator bank to a beneficiary bank maintaining a beneficiary account, wherein the beneficiary bank is registered with the payment service network to allow the beneficiary to receive the funds at the beneficiary bank;
>
> receiving, by the originator bank computer, a payment order message from the originator indicating funds to be transferred from an originator account at the originator bank to the beneficiary account at the beneficiary bank, wherein the beneficiary account is identified by a beneficiary indicator that uniquely identifies the beneficiary within a beneficiary bank and is a deposit-only indicator that cannot be used to withdraw funds from a beneficiary account at the beneficiary bank;
>
> authenticating, by the originator bank computer, the payment order message at the originator bank;
>
> sending, by the originator bank computer, funds verification message to the beneficiary bank, wherein the funds verification message informs the beneficiary bank of the funds to

> be transferred to the beneficiary bank and includes the beneficiary indicator;
>
> receiving, at the originator bank computer, a funds verification response message sent from a beneficiary bank computer at the beneficiary bank, wherein the funds verification response message authorizes or declines the transfer of the funds to the beneficiary bank; and
>
> pushing, by the originator bank computer, the funds from the originator account maintained by the originator bank to the beneficiary account maintained by the beneficiary bank when the funds verification response message authorizes the transfer of the funds, wherein the step of pushing includes sending a settlement message from the originator bank to the beneficiary bank via the payment service network that includes the beneficiary indicator and an amount of the funds, wherein the beneficiary bank posts the funds to the beneficiary account,
>
> wherein the payment service network comprises a payment participant reference file (PPRF), wherein the PPRF comprises a master list of all bank participants in the payment service network, wherein unique bank identification numbers are assigned to each bank, and wherein the PPRF is configured to:
>
> subdivide beneficiary account numbers to uniquely identify customers associated with the beneficiary bank,
>
> control functionality for customers associated with the beneficiary bank, and
>
> indicate whether a service is enabled or disabled for the beneficiary bank . . . .

Appeal Br. 29–30.

The Supreme Court:

> [S]et[s] forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts. First, . . . determine whether the claims at issue are directed to one of those patent-ineligible concepts. If so, we then ask,

> "[w]hat else is there in the claims before us?" To answer that question, . . . consider the elements of each 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. [The Court] described step two of this analysis as 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 Corp. Pty. Ltd. v CLS Bank Int'l, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 72–73 (2012)) (internal citations omitted).

To perform this test, we must first determine whether the claims at issue are directed to a patent-ineligible concept.

Although the Court in *Alice* made a direct finding as to what the claims were directed to, we find that this case's claims themselves and the Specification provide enough information to inform one as to what they are directed to.

The preamble of claim 50 recites the limitation "for transferring funds to a beneficiary." The steps in claim 50 result in a payment participant reference file (PPRF) which subdivides beneficiary account numbers to uniquely identify customers associated with the beneficiary bank, controls functionality for customers associated with the beneficiary bank, and indicates whether a service is enabled or disabled for the beneficiary bank. The Specification recites:

> Most of the conventional payment techniques listed above can be viewed as "pull" payment methodologies; in other words, the payee must "pull" payment from the payor's

> financial institution using information obtained via the payment instrument. Pulling a payment amount involves an active step taken by the payee to request funds from an institution that maintains an account of the payor.

Specification 1:21–25. The Specification further states:

> The present invention pertains to techniques for transferring funds from a payment originator ("originator") to a payment beneficiary ("beneficiary") by pushing the funds directly from an originator bank ("Bank O") to a beneficiary bank ("Bank B"). One embodiment of the present invention allows the originator to push payment directly to a beneficiary's financial institution without needing to set up a prior relationship or register for the service.

Specification 3:2–7.

Thus, all this evidence shows that claim 50 is directed to techniques for transferring funds from a payment originator to a payment beneficiary by pushing the funds directly from an originator bank to a beneficiary bank. It follows from prior Supreme Court cases, and *Gottschalk v. Benson*, 409 U.S. 63 (1972) in particular, that the claims at issue here are directed to an abstract idea. Insuring the efficient transfer of capital between parties to a transaction is a fundamental economic practice. The patent-ineligible end of the 35 U.S.C. § 101 spectrum includes fundamental economic practices. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2355–1257. Thus, transferring funds from a payment originator to a payment beneficiary by pushing the funds directly from an originator bank to a beneficiary bank is an "abstract idea" beyond the scope of § 101.

As in *Alice Corp. Pty. Ltd.*, we need not labor to delimit the precise contours of the "abstract ideas" category in this case. It is enough to recognize that there is no meaningful distinction in the level of abstraction between the concept of an intermediated settlement in *Alice* and the concept of transferring funds from a payment originator to a payment beneficiary by pushing the funds directly from an originator bank to a beneficiary bank, at issue here. Both are squarely within the realm of "abstract ideas" as the Court has used that term. That the claims do not preempt all forms of the abstraction or may be limited to bank to bank transactions, does not make them any less abstract. *See OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1360–61 (Fed. Cir. 2015).

The introduction of a computer into the claims does not alter the analysis at *Mayo* step two.

> [T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea "while adding the words 'apply it'" is not enough for patent eligibility. Nor is limiting the use of an abstract idea "'to a particular technological environment.'" Stating an abstract idea while adding the words "apply it with a computer" simply combines those two steps, with the same deficient result. Thus, if a patent's recitation of a computer amounts to a mere instruction to "implemen[t]" an abstract idea "on ... a computer," that addition cannot impart patent eligibility. This conclusion accords with the preemption concern that undergirds our § 101 jurisprudence. Given the ubiquity of computers, wholly generic computer implementation is not generally the sort of "additional featur[e]" that provides any "practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself."

Alice Corp. Pty. Ltd., 134 S. Ct. at 2358 (alterations in original) (citations omitted).

"[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea . . . on a generic computer." *Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2359. They do not.

Taking the claim elements separately, the function performed by the computer at each step of the process is purely conventional. Using a computer to take in data, compute a result, and return the result to a designated user, amounts to electronic data query and retrieval—some of the most basic functions of a computer. All of these computer functions are well-understood, routine, conventional activities previously known to the industry. In short, each step does no more than require a generic computer to perform generic computer functions.

Considered as an ordered combination, the computer components of Appellants' method add nothing that is not already present when the steps are considered separately. Viewed as a whole, Appellants' claims simply recite the concept of transferring funds from a payment originator to a payment beneficiary by pushing the funds directly from an originator bank to a beneficiary bank. The claims do not, for example, purport to improve the functioning of the computer itself. Nor do they effect an improvement in any other technology or technical field. Instead, the claims at issue amount to nothing significantly more than instructions to transfer funds from a payment originator to a payment beneficiary by pushing the funds directly from an originator bank to a beneficiary bank, on a generic computer. Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2360.

As to the structural claims, they

> are no different from the method claims in substance. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic computer components configured to implement the same idea. This Court has long "warn[ed] ... against" interpreting § 101 "in ways that make patent eligibility 'depend simply on the draftsman's art.'"

Alice Corp. Pty. Ltd., 134 S. Ct. at 2360 (alterations in original).

> Appellant . . . submits that the recited claim elements do not "tie" up the entire alleged abstract idea of a "funds transfer." Appellant submits that it is instantly recognizable that there are a multitude of ways to perform funds transfer that can occur without utilizing that which is recited by this claim language. For example, it is apparent that one can conduct an automated clearinghouse (ACH) or wire funds without the use of a payment participant reference file (PPRF) that indicates whether a service is enabled or disabled for a beneficiary bank, and without the use of the PPRF to forward a funds verification message from a first computer to a beneficiary bank, as recited by the claims.

(Appeal Br. 20–21).

We disagree with Appellants. Again, that the claims do not preempt all forms of the abstraction or may be limited to telephone transactions without a PPRF, does not make them any less abstract. *See OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1360–61 (Fed. Cir. 2015). The items of the PPRF, e.g., a master list of all bank participants in the payment service network, unique bank identification numbers assigned to each bank, subdivided beneficiary account numbers to uniquely identify customers associated with the beneficiary bank, are each abstract computational/record keeping concepts, which are patent-ineligible.

Appellants next argue that

> On March 20, 2014, the Examiner issued a Notice of Allowance, indicating that patentability of the claims. Given that most of these references are also directed to some manner of funds transfer, the patentability of the pending claims over these references clearly indicates that the claims recite "meaningful limitations" and do not "tie up" the general concept of funds transfer.

(Appeal Br. 21).

We are not persuaded by Appellants' argument that because the standard for patentability under 35 U.S.C. § 103(a) is obviousness, the standard for patentability under 35 U.S.C. § 102 is novelty, and the standard for patent eligibility under 35 U.S.C. § 101 is abstract idea. Each of these standards is separately required to be met before patentability can be conferred on invention, which is not the case here based on the latter standard. "The '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).

Appellants also argue, "the claims clearly '[i]mprove[] another technology or technical field,' and '[a]dd[] unconventional steps that confine the claim to a particular useful application.' At least one unconventional aspect of the claims is the recited payment participant reference file (PPRF)." (Appeal Br. 23).

We disagree with Appellants that the idea of a payment participant reference file (PPRF) constitutes an improvement in a technical field. The question is whether the claims as a whole "focus on a specific means or method that improves the relevant technology" or are "directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery." *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314 (Fed. Cir. 2016). In this case, claim 50 as a whole, is focused on satisfying certain contingencies "for transferring funds to a beneficiary" to facilitate the transfer of money, and not the computer system. The PPRF file only manages data in a typical manner maintaining, e.g., a master list of all bank participants in the payment service network and unique bank identification numbers are assigned to each bank.

Our position here also applies to Appellants' arguments concerning the PPRF limitation directed to indicating "whether a service is enabled or disabled," which limitation is directed to the result of indicating a condition of a service and not the condition of a device state in a machine. (Appeal Br. 25). Similarly, Appellants' argument that the PPRF "can allow a payment service to determine which participants support a given service, rather than forcing all participants to support every service" (Appeal Br. 27) fails as it is directed to a result of a business goal, and not a specific means of improving the computer system.

CONCLUSIONS OF LAW

We conclude the Examiner did not err in rejecting claims 50, 51, 56, 60–63, 67, 68, 70, 72, 76, 77, 81, 82, and 84–88 under 35 U.S.C. § 101.

DECISION

The decision of the Examiner to reject claims 50, 51, 56, 60–63, 67, 68, 70, 72, 76, 77, 81, 82, and 84–88 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). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED