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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ROBERT L. DESSERT
and ROBERT D. CANTERBURY

Appeal 2016-003845¹
Application 14/147,289²
Technology Center 3600

Before JOSEPH A. FISCHETTI, MICHAEL W. KIM, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

MEYERS, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 41–70. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants' Appeal Brief ("Br.," filed August 21, 2015) and the Examiner's Answer ("Ans.," mailed December 30, 2015), and Final Office Action ("Final Act.," mailed June 29, 2015).

² Appellants identify QUALCOMM Incorporated, as the real party in interest (Br. 2).

CLAIMED INVENTION

Appellants' claims relate generally to a "method and system for managing transactions with a portable computing device" (Spec. ¶ 7).

Claims 41, 49, 55, and 63 are the independent claims on appeal. Claim 41 reproduced below, with minor formatting changes and added bracketed notations, is illustrative of the subject matter on appeal:

41. An electronic purchase transaction method comprising:
- [a] transmitting over a communications network, from a client portable computing device, user credentials of the client portable computing device;
 - [b] transmitting over the communications network, from the client portable computing device, a merchant identifier corresponding to a merchant;
 - [c] receiving over the communications network, by the client portable computing device, matches of the merchant identifier to loyalty account data associated with the merchant, wherein the loyalty account data indicates the availability of at least one of a discount or benefit to a purchase transaction associated with the client portable computing device; and
 - [d] receiving over the communications network, by the client portable computing device, a message that lists one or more preferred payment options that may be selected to complete the purchase transaction associated with the client portable computing device.

REJECTION

Claims 41–70 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

ANALYSIS

Non-statutory subject matter

Appellants argue claims 41–70 as a group (*see* Appeal Br. 6–13). We select claim 41 as representative. Claims 42–70 stand or fall with independent claim 41. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Alice Corp. Pty. Ltd. v. CLS Bank International, 134 S.Ct. 2347 (2014) identifies a two-step framework for determining whether claimed subject matter is judicially-excepted from patent eligibility under § 101.

Turning to the first step of the *Alice* framework, Appellants argue that “claims 41–70 are not directed toward an abstract idea or a fundamental economic practice” (Br. 7). Instead, Appellants argue their claims are directed to overcoming problems with “conventional systems and methods for effecting purchase transactions” in the field of electronic purchase transactions (*id.* at 7–8). Appellants’ argument is not persuasive.

By way of background, the Examiner finds the claims “are directed to the abstract idea of a purchase transaction” (Final Act. 4; *see also* Ans. 5–8). The Examiner also finds “[t]he purchase transaction relationship as recited in the claim is a commercial arrangement involving contractual relations similar to the fundamental economic practices found by the courts to be abstract ideas (e.g., hedging in *Bilski*, mitigating settlement risk in *Alice*)” (Final Act. 4–5). In making this determination, the Examiner observes that

[t]he concept of “a purchase transaction,” is described by the [steps of] “transmitting . . . user credentials . . . ; transmitting . . . a merchant identifier corresponding to a merchant; receiving . . . matches of the merchant identifier to loyalty account data associated with the merchant, wherein the loyalty account data indicates the availability of at least one of a discount or benefit to a purchase transaction . . . ; and receiving . . . a message that

lists one or more preferred payment options that may be selected to complete the purchase transaction . . . ”

(*Id.* at 4).

We are not persuaded by Appellants’ argument that “claims 41–70 are not directed toward an abstract idea per se” (Br. 7). Instead, we agree with the Examiner that the claims as a whole are directed to a purchase transaction, and as such, cover an abstract idea. In making this determination, we note that independent claim 41 is directed to “[a]n electronic purchase transaction method,” and includes steps for 1) transmitting user credentials, 2) transmitting a merchant identifier, 3) receiving matches of the merchant identifier to loyalty account data associated with the merchant, and 4) receiving lists of preferred payment options to complete the purchase transaction. When we remove the computer related terms, we discern that the recited steps are those that would be performed in a run-of-the-mill purchase transaction. And, according to the Specification, the disclosure is related to “[a] method and system for managing transactions with a portable computing device (PCD) are described” (Spec. ¶ 7). Thus, we agree with and adopt the Examiner’s finding that “[t]he purchase transaction relationship as recited in the claim is a commercial arrangement involving contractual relations similar to the fundamental economic practices found by the courts to be abstract ideas (e.g., hedging in *Bilski*, mitigating settlement risk in *Alice*)” (*see* Final Act. 4–5).

Equally unpersuasive is Appellants’ argument that claims 41–70 are not directed toward an abstract idea because claims they overcome “problems associated with tracking a plurality of benefits and payment

methods that are available to a consumer for purchasing goods or services” (*see* Br. 7–8, 12).

Although “claims ‘purport[ing] to improve the functioning of the computer itself,’ or ‘improv[ing] an existing technological process[,]’ might not succumb to the abstract idea exception” (*Enfish, LLC v. Microsoft Corp.*, 822 F.3d, 1327, 1335 (Fed. Cir. 2016)), the question in such cases is “whether the focus of the claims is on the specific asserted improvement in computer capabilities” or whether “computers are invoked merely as a tool.” *Id.* at 1335–36.

Here, Appellants have not shown that their claims are directed to an improvement in computer technology or to an existing technological process. Nor have Appellants shown that their claims are directed to a combined order of specific rules that improve a technological process. Instead, we find independent claim 41 invokes generic components (*see, e.g.*, Spec. ¶¶ 39–41) in the transmission and processing of data in an effort to “overcome the problems associated with tracking a plurality of benefits and payment methods which are available to a consumer for purchasing goods or services (or both)” (*see id.* ¶ 6).

We also are not persuaded by Appellants’ argument that the claims “do not pre-empt every approach to effecting electronic purchase transactions” (Appeal Br. 8, 11). Contrary to Appellants’ suggestion, there is no requirement for the Examiner to establish pre-emption, and “the absence of complete preemption does not demonstrate patent eligibility.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice*, 134 S. Ct. at 2354); *see also OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 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.”).

Turning to the second step of the *Mayo/Alice* analysis, Appellants argue that even if the claims recite an abstract idea, the claims are patent-eligible because they amount to significantly more than the alleged abstract idea itself (*see* Br. 9–13). More particularly, Appellants argue that their claims are analogous to the invention deemed patentable in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014).

In *DDR Holdings*, the Federal Circuit determined that, although the patent claims at issue involved conventional computers and the Internet, the claims addressed the problem of retaining website visitors who, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be transported instantly away from a host’s website after “clicking” on an advertisement and activating a hyperlink. *DDR Holdings*, 773 F.3d at 1257. The Federal Circuit, thus, held that the claims were “*necessarily rooted in computer technology* in order to overcome a problem specifically arising in the realm of computer networks,” and were not directed to an abstract idea. *Id.* at 1265. No such technological advance is evident here.

Unlike the situation in *DDR Holdings*, Appellants do not identify any problem particular to computer networks and/or the Internet that the claims allegedly overcome. Here, Appellants identify that their claims specifically address a problem in this field of “electronic purchase transactions” related to “keeping track of a plurality of benefits and payment methods that are available to a consumer for purchasing goods or services” (Br. 9–10). However, we find that the “improvement” to which Appellants refer is

related to a business or customer-service improvement, i.e., “[t]he problem of the consumer bearing all the responsibility to track these benefits and discounts may grow exponentially when the consumer has similar loyalty cards, credit cards, and coupons for a plurality of other second merchants” (see Spec. ¶ 4), as opposed to an improvement to a computer or other technological or technical field.

We next consider whether additional elements transform the nature of the claim into a patent-eligible application of the abstract idea, e.g., whether the claim does more than simply instruct the practitioner to implement the abstract idea on generic computer components. Here, we agree with the Examiner

The claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the additional elements are simply a generic recitation of a computer and a computer network performing their generic computer functions. The claim[s] amount[] to no more than stating create a contract on a computer and send it over a network. Taking the elements both individually and as a combination, the computer components in claims 41, 49, 55 and 63 perform purely generic computer functions. The claims as a whole do not amount to significantly more than the abstract idea itself.

(Final Act. 5). Thus, we agree with the Examiner that independent claim 41 is directed to an abstract idea without some element or combination of elements sufficient to ensure that the claim in practice amounts to significantly more than the abstract idea itself, and as such, is not patent-eligible under § 101.

In view of the foregoing, we sustain the Examiner’s rejection under 35 U.S.C. § 101 of independent claim 41, and claims 42–70, which fall with independent claim 41.

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DECISION

The Examiner's rejection of claims 41–70 under 35 U.S.C. § 101 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