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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte KIMBERLY DUNWOODY and SCOTT PAINTIN

Appeal 2016-003932
Application 14/301,353¹
Technology Center 3600

Before ANTON W. FETTING, JOSEPH A. FISCHETTI, and
AMEE A. SHAH, *Administrative Patent Judges*.

FISCHETTI, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134(a) of the Examiner's Final Rejection of claims 1–18, which constitute all the claims pending in this application. We have jurisdiction under 35 U.S.C. § 6(b).

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

SUMMARY OF DECISION

We AFFIRM.

THE INVENTION

Appellants state, “[t]he present invention relates, in general, to money transfers, and more particularly, to item-specific money transfers.”

Specification ¶ 2.

Claim 1 reproduced below, is representative of the subject matter on appeal.

1. A method of generating an item-specific money transfer identifier, the method comprising:

receiving, by a money transfer system, from a first sender, identification of an item or a substitute for the item for purchase, a geographical location of the item or a substitute for the item, and a money transfer request for an amount of the item or a substitute for the item;

staging, by the money transfer system, a money transfer for the amount of the item or a substitute for the item;

binding, by the money transfer system, funds of the money transfer to the item using the identification of the item, wherein the binding includes:

associating the identification including a barcode of the item with the funds of the money transfer,

generating a personal identification number (PIN) associated with the funds of the money transfer,

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providing access to the funds of the money transfer using the PIN which is bound to the funds of the money transfer, and

based on the barcode of the item and by using the PIN, restricting the funds from the money transfer to only be used for payment to the vendor for the item or a predetermined substitute for the item;

in response to the binding, generating, by the money transfer system, an identifier for the money transfer, wherein the identifier comprises the item identifier identifying the item or a substitute for the item, a location identifier identifying the geographical location, a first funding identifier, the barcode of the item, and the PIN;

sending the identifier to a receiver; and

in response to a barcode of the item to be purchased by the receiver matching the barcode of the item and a PIN provided by the receiver matching the PIN, providing the vendor of the item with the funds from the money transfer.

THE REJECTION

The following rejections are before us for review.

Claims 1–18 are rejected under 35 U.S.C. § 101.

Claims 1–18 are rejected under 35 U.S.C. §§ 112(a) and (b).

ANALYSIS

35 U.S.C. § 101 REJECTION

We will sustain the rejection of claims 1–18 under 35 U.S.C. § 101.

The Supreme Court

set 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)).

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

The steps in claim 1 result in:

generating, by the money transfer system, an identifier for the money transfer, wherein the identifier comprises the item identifier identifying the

item or a substitute for the item, a location identifier identifying the geographical location, a first funding identifier, the barcode of the item, and the PIN;

 sending the identifier to a receiver; and

 in response to a barcode of the item to be purchased by the receiver matching the barcode of the item and a PIN provided by the receiver matching the PIN, providing the vendor of the item with the funds from the money transfer.

The Specification states,

[t]he present invention provides a method for implementing item-specific money transfers. The method includes receiving, by a money transfer processing system, identification of an item, determining, by the money transfer processing system, a vendor and a price of the item, receiving, by the money transfer processing system, from a receiver, a money transfer request for an amount of the price of the item. The money transfer request identifies a sender. The method further includes sending, by the money transfer processing system, the money transfer request to the sender, and receiving, by the money transfer processing system, from the sender, authorization for a money transfer in an amount of the price of the item. The authorization includes an indication that funds from the money transfer are restricted for use only for the item.

Specification ¶ 4. The Specification describes, “[f]urther aspects of the present invention allow for the sender to bind a money transfer to a specific item, such that the money could not be used for any purpose other than to purchase the bound item. Furthermore, aspects of the present invention may provide comparison shopping for the specific item in conjunction with the

money transfer. Specification ¶ 18. Thus, all this evidence shows that claim 1 is directed to binding a money transfer to a specific item, such that the money cannot be used for any purpose other than to purchase the bound item. 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. Binding a money transfer to a specific item, such that the money cannot be used for any purpose other than to purchase the bound item is a fundamental economic practice of a transaction because it guards against fraud. 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. Also, we find the steps of;

- receiving, from a first sender, identification of an item or a substitute for the item for purchase;
- staging a money transfer for the amount of the item or a substitute for the item;
- binding funds of the money transfer to the item using the identification of the item;
- associating the identification including a barcode of the item with the funds of the money transfer;
- generating a personal identification number (PIN) associated with the funds of the money transfer;
- providing access to the funds of the money transfer using the PIN bound to the funds of the money transfer;
- based on the barcode of the item and by using the PIN, restricting the funds from the money transfer to only be used for payment to the vendor for the item;

- in response to the binding, generating an identifier for the money transfer, wherein the identifier comprises the item identifier identifying the item or a substitute for the item, a location identifier identifying the geographical location, a first funding identifier, the barcode of the item, and the PIN;
- sending in response to a barcode of the item to be purchased by the receiver matching the barcode of the item and a PIN provided by the receiver matching the PIN, providing the vendor of the item with the funds from the money transfer,

constitute physical acts by a human and/or “analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, as essentially mental processes within the abstract-idea category.” *Electric Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016). *See also buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350 (Fed. Cir. 2014) (claims directed to certain arrangements involving contractual relations are directed to abstract ideas). Thus, binding a money transfer to a specific item, such that the money cannot be used for any purpose other than to purchase the bound item 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 binding a money transfer to a specific item, such that the money cannot be used for any purpose other than to purchase the bound item, 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

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may be limited to using a barcode of the item to be purchased by the receiver to match the barcode of the item and a matching PIN, 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.

the 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 “implement[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 feature[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 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 binding a money transfer to a specific item, such that the money cannot be used for any purpose other than to purchase the bound item. 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 bind a money transfer to a specific item, such that the money cannot be used for any purpose other than to purchase the bound item. 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

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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).

We have reviewed all the arguments (Appeal Br. 5–7) Appellants have submitted concerning the patent eligibility of the claims before us which stand rejected under 35 U.S.C. § 101. We find that our analysis above substantially covers the substance of all the arguments which have been made. But, for purposes of completeness, we will address various arguments in order to make individual rebuttals of same.

Appellants argue, “[t]he present Office Action cites no references whatsoever to justify its position that the alleged abstract idea here is a ‘long prevalent’ and ‘longstanding’ fundamental economic practice or method of organizing human activity, as was provided by the Supreme Court in *Alice*.” (Appeal Br. 5).

We are not persuaded by Appellants’ arguments because the Examiner found, “[t]he claim(s) is/are directed to the abstract idea of fundamental economic practice, in particular staging money transfer, binding funds, generating and sending identifiers, matching identifier and providing funds.” (Final Act. 3). As we find above, we too find the claims are directed to a fundamental economic practice. Thus, we find no error with the Examiner’s finding as to what the claims are directed to. To the extent that Appellants are arguing that the rejection fails to provide evidence

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in support of the finding of an abstract idea, we note that the Examiner does enumerate items relating to financial practices, i.e., “staging money transfer, binding funds, generating and sending identifiers, matching identifier and providing funds.” *Id.* We also note our Decision above also cites to the Specification and to the claims as evidence that the claims are directed to a fundamental economic practice, as well as relying on and judicial precedents showing that fundamental economic practices constitute abstractions.

Appellants argue, “[i]f the claim is directed to one new way of implementing the abstract idea over other possible ways that came before it, it must be true that that allowing such a claim to proceed to allowance would not pre-empt all implementations of the abstract idea itself.” (Appeal Br. 6–7).

We disagree with Appellants. “Adding one abstract idea . . . to another abstract idea . . . does not render the claim non-abstract.” *RecogniCorp, LLC v. Nintendo Co., Ltd.*, 855 F.3d 1322, 1327 (2017). Also, the question in step two of the Alice framework is not whether an additional feature is novel but whether the implementation of the abstract idea involves “more than the performance of ‘well-understood, routine, [and] conventional activities previously known to the industry.’” *Content Extraction and Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1347–48 (quoting Alice, 134 S.Ct. at 2359).

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35 U.S.C. § 112(a) REJECTION

In rejection claims 1–18 under 35 U.S.C. §112(a) (35 U.S.C. §112 (pre-AIA) first paragraph), the Examiner states:

‘Claims 1, 7 and 13 recite the limitation [‘]the identifier comprises the item identifier identifying the item or a substitute for the item, a location identifier identifying the geographical location, a first funding identifier, the barcode of the item, and the PIN[’] is a new matter not described in the Specification. (the specification only recites the identifier comprises three identifiers, see paragraph 0005 of the Specification [‘]the identifier comprises an item identifier identifying the item, a location identifier identifying the geographical location, and a first funding identifier[’]) Removal of new matter is required (emphasis original).

Examiner’s Answer 4, *see also* Final Act. 4.

However, Appellants argue,

Applicants respectfully disagrees that [‘]the identifier comprises the item identifier identifying the item or a substitute for the item, a location identifier identifying the geographical location, a first funding identifier, the barcode of the item, and the PIN’ is **a new matter not described in the Specification.**[’] (see Office Action at page 3). Support for this limitation in the claims can be found throughout the Specification, for example, at paragraph 0019, which reads [‘]an **identifier for the item may be scanned (e.g., by barcode,** RFID, near-field communication, etc.) in order for the item to be identified.[’] (emphasis provided). Further support can also be found at paragraph 0032 of the Specification which reads [‘]an **item identifier (e.g., a barcode, a UPC, etc.)** may be associated with the item.[’] (emphasis provided).

Appeal Br. 6.

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We agree with Appellants. Our review of the Specification reveals that paragraph 19 describes an “identifier for the item may be scanned (*e.g.*, by barcode . . .”, paragraph 32 describes “implementing item and/or location specific PIN generation”, and paragraph 5 describes the difference of the claim elements which the Examiner lists as problematic.

Thus, we will not sustain the rejection of claims 1–18 under 35 U.S.C. §112(a).

35 U.S.C. § 112(b) REJECTION

We will not sustain the rejection of claims 1–18 under 35 U.S.C. § 112(b) (35 U.S.C. § 112 (pre-AIA), second paragraph).

Concerning the portion of this rejection which is based on rejection of claims 1–18 under 35 U.S.C. § 112(a) above, since we did not sustain the former rejection, we do not this rejection which is based on the former.

Concerning the remaining issues which the Examiner states are the basis for the 35 U.S.C. § 112 second paragraph rejection, we agree with Appellants’ arguments (Appeal Br. 8, 9), and find that the Examiner’s concerns are a matter of claim breadth, not indefiniteness. “Breadth is not indefiniteness.” *In re Gardner*, 427 F.2d 786, 788 (1970).

CONCLUSIONS OF LAW

We conclude the Examiner did err in rejecting claims 1–18 under 35 U.S.C. § 112(b).

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We conclude the Examiner did err in rejecting claims 1–18 under 35 U.S.C. § 112(a).

We conclude the Examiner did not err in rejecting claims 1–18 under 35 U.S.C. § 101.

DECISION

The decision of the Examiner to reject claims 1–18 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