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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte TARA CHAND SINGHAL

Appeal 2016-004555
Application 12/928,712¹
Technology Center 3600

Before JOSEPH A. FISCHETTI, MATTHEW S. MEYERS and
ROBERT J. SILVERMAN, *Administrative Patent Judges*.

FISCHETTI, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant seeks our review under 35 U.S.C. § 134 of the Examiner's rejection of claims 2–10 and 12–19, 21, and 22.² We have jurisdiction under 35 U.S.C. § 6(b).

¹ Appellant Tara Chand Singhal is identified as the real party in interest. Appeal Br. 4.

² Appellant and Examiner both identify claims 2–10 and 12–22 as currently pending, however, claim 20 is currently cancelled (*see* Appeal Br. 23).

SUMMARY OF DECISION

We AFFIRM-IN-PART.

THE INVENTION

Appellant states, the “present invention is directed to facilitating private and secure financial transactions between a customer and an ATM of a financial institution.” (Spec. 1).

Claim 21 reproduced below, is representative of the subject matter on appeal.

21. A system for interfacing with an ATM of a financial institution by a customer without use of a bankcard, comprising:

a. a portable wireless device of the customer and a central system with pre-stored bankcard data of customers and the central system additionally pre-stores customer portable wireless device data, the central system hosted with a function to identify and verify customers connecting via the wireless device and selectively access their bankcard data;

b. an automated teller machine (ATM) of the financial institution, the central system pre-stores ATM terminal identifications and their corresponding network addresses, the central system, the portable wireless device, and the ATM communicate on a global computer network;

c. the wireless device of the customer reads an ATM terminal identification from the ATM and wirelessly sends a data record with at least the ATM terminal identification to the central system;

d. the central system compares the received ATM terminal identification with the pre-stored ATM terminal identification to retrieve terminal network address and sends a data record to the ATM to authorize the customer to conduct financial transaction with the ATM, without the customer having a bankcard and having entered a PIN in the ATM.

THE REJECTION

The following rejection is before us for review.

Claims 2–10 and 12–22 are rejected under 35 U.S.C. § 101.

ANALYSIS

35 U.S.C. § 101 REJECTION

Claims 2–10 and 12–22 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 17–19

We affirm the rejection of claims 17–19 under 35 U.S.C. § 101.

Independent claim 17 recites in pertinent part a method comprising the steps of:

- a. pre-storing customer electronic addresses of selected customers in a central system used for managing ATMs of a financial institution and using a wireless device of the customer to identify and verify customer identity to the computer systems managing the ATM;*
- b. suppressing printing of a paper transaction record of a transaction by the customer with the ATM incident to conducting a financial transaction by the selected customers with the ATM; and*
- c. sending electronically the ATM transaction record to the selected customer via a pre-stored customer electronic address.*

Appeal Br. 21.

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.

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 steps in claim 17 result in sending electronically the ATM transaction record to the selected customer via a pre-stored customer electronic address. The Specification states:

The merchant retains the customer sensitive data of name, card number and signature. This presents an additional security risk in that; computer hackers and thieves may steal it. Multiplicity of data records is kept with many merchants as a record is created with each merchant each time a payment transaction is conducted. Thus the customer sensitive data is stored with many merchants in many paper and database records. This significantly raises the probability of theft and hacking from the merchant paper and computer records.

Specification 2:23–3:1. Thus, all this evidence shows that claim 17 is directed to conducting a paperless financial transaction using a pre-stored customer electronic address. 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. Reducing the risk of fraud by a financial institution is a fundamental economic practice because a financial institution takes and holds confidential information in trust from the customer. The patent-ineligible end of the 35 U.S.C. § 101 spectrum includes fundamental economic practices. *See Alice Corp.*, 134 S. Ct. at 2355–57.

As in *Alice Corp.*, 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 conducting a paperless financial transaction using a pre-stored customer electronic address to reduce the risk of identity theft. 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 ATM 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.

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 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., 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.*, 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 Appellant’s method add nothing that is not already present when the steps are considered separately. Viewed as a whole, Appellant’s claims simply recite conducting a paperless financial transaction using a pre-stored customer electronic address to reduce the risk of identity theft. 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 conduct a paperless financial transaction using a pre-stored customer electronic address to reduce the risk of identity theft.

Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice Corp.*, 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., 134 S. Ct. at 2360 (alterations in original).

Appellant argues,

Accordingly as has been detailed above, the claim does not set forth or describe an abstract idea. Instead the claimed method is necessarily rooted to computer technology to overcome a problem specifically arising in interfacing with an automated teller machine. The mobile device, the ATM machine and bank server all have CPUs, memory, display, communication interfaces and peripherals both for input of data and output of data and a display screen and thus is a digital machine.

(Appeal Br. 14).

We disagree with Appellant because claim 17 does not recite a particular way of programming or designing the software to create a secure system, but instead merely claim the resulting process. *See McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314 (Fed. Cir. 2016) (“directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery”).

Claims 2–10, 12–16, 21, and 22

We do not sustain the rejection of claims 2–10, 12–16, 21, and 22 under 35 U.S.C. § 101. Independent claims 21 and 22 differ in scope from

that of independent claim 17 in that they involve a non-generic process using a myriad of various components configured to perform as an improved system. The claimed inventory of device components and attendant software is as follows:

- Portable wireless device
- Pre-stored bank card data and customer wireless device data
- Central system
- ATM
- ATM terminal identifiers
- Global computer network
- Authorizing Data record.

We thus find that the subject matter of independent claims 21 and 22 recites a combination which provides a different way of accessing a bank account using an ATM terminal and attendant system without the need of using a conventional bankcard. For example, the claims require device-to-device data transmission protocol reciting, the wireless device of the customer reads an ATM terminal identification from the ATM and wirelessly sends a data record with at least the ATM terminal identification to the central system.

Concerning the subject matter of independent claims 21 and 22, we find the dissent in *Smart Systems Innovations, LLC v. Chicago Transit Authority*, --- F.3d ---, 2017 WL 4654964 at *14 (Fed. Cir. 2017) applies here because similarly, both cards provide a different way of accessing network data in that

- the claimed combination of a white list with a bankcard reader to regulate access to a transit system is not dependent on component functionality and is not merely a generic computer implementation of an idea or the linkage of an idea to a

particular technological environment. To the contrary, the claimed combination here is a different way of accessing a transit system by using a conventional bankcard without the need for immediate network connectivity and without the latency previously considered an inherent limitation on the use of ordinary bankcards for such purposes. Even if the bankcard reader itself is considered similar to the scanner in *Content Extraction*, nothing in *Content Extraction* parallels the combination of a bankcard reader, a white list, and transit system access control called for in the claims of the '003 and '617 patents.

Thus, we find that because independent claims 21 and 22 claim particular way of programming or designing software to authorize a customer to conduct financial transactions with the ATM, “without the customer having a bankcard and having entered a PIN in the ATM,” the claims are patent eligible. 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).

CONCLUSIONS OF LAW

We conclude the Examiner did not err in rejecting claims 17–19 under 35 U.S.C. § 101.

We conclude the Examiner did err in rejecting claims 2–10, 12–16, 21, and 22 under 35 U.S.C. § 101.

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-IN-PART