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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ALEXANDRE GONTHIER,
MARIO DELAS, and
MICHAEL KONTOROVICH

Appeal 2016-005492¹
Application 13/803,447
Technology Center 3600

Before CAROLYN D. THOMAS, DANIEL N. FISHMAN, and
NABEEL U. KHAN, *Administrative Patent Judges*.

FISHMAN, *Administrative Patent Judge*.

DECISION ON APPEAL

This is an appeal under 35 U.S.C. § 134(a) of the final rejection of claims 1–75, all remaining claims of the application.² We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ Appellants assert the real party in interest is EWISE Systems USA Inc. App. Br. 2.

² In this Opinion, we refer to the Appeal Brief (“App. Br.,” filed September 25, 2015), the Reply Brief (“Reply Br.,” filed April 22, 2016), the Examiner’s Answer (“Ans.,” mailed February 25, 2016), the Final Office Action (“Final Act.,” mailed April 3, 2015), and the original Specification (“Spec.,” filed March 14, 2013).

STATEMENT OF THE CASE

THE INVENTION

Appellants' invention relates to electronic financial transaction systems that enable transfer of funds from a user's bank account to a vendor's bank account. Spec. ¶ 1. Figure 2, reproduced below, is a flow diagram of exemplary operation of systems according to the claimed invention.

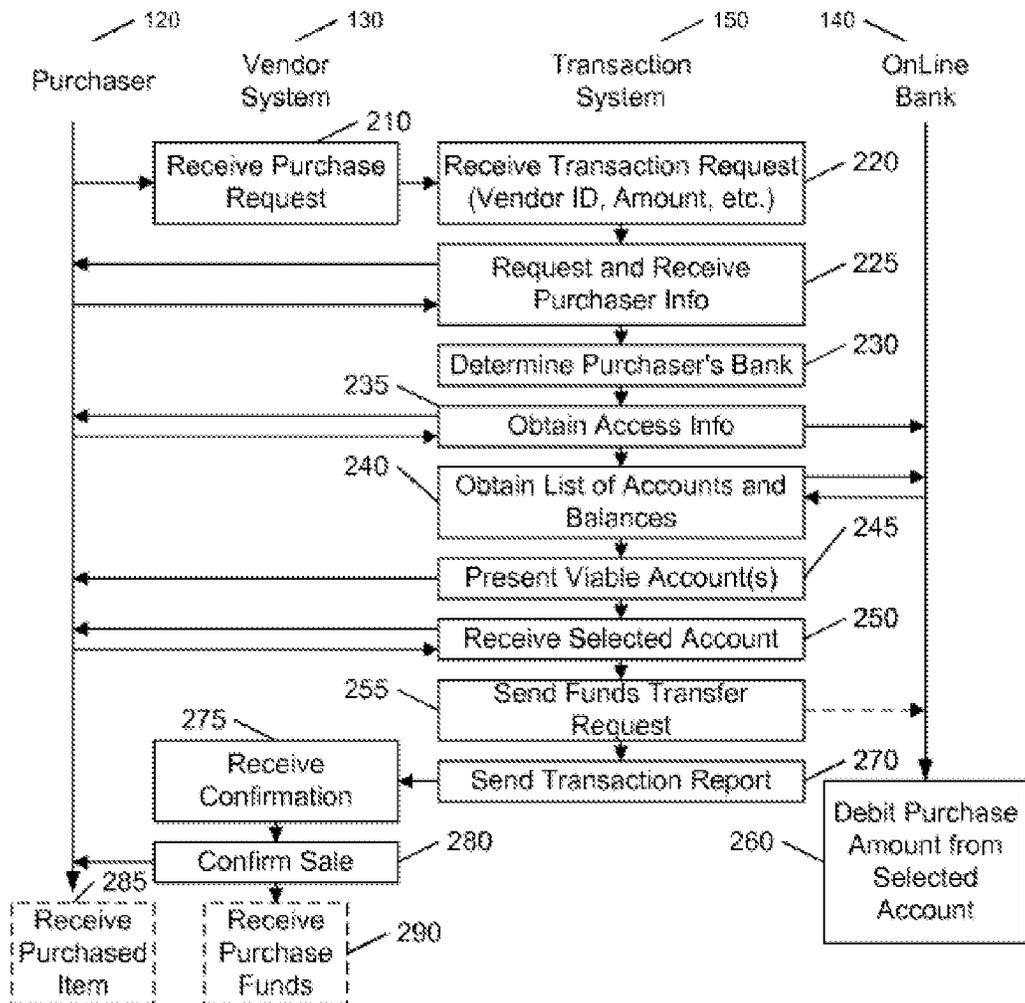


FIG. 2

Figure 2 describes an exemplary method of operation of the purported invention to enable transfer of funds between a purchaser's bank account and a vendor.

According to the '447 patent application, purchaser 120 sends a purchase request 210 to vendor 130 that is forwarded by vendor 130 as purchase request 220 to transaction system 150. *Id.* ¶¶ 16–18. Transaction system 150 requests and receives purchaser information 225 from purchaser 120, determines purchaser's bank 230, and obtains access information 235 from purchaser 120 for such bank accounts. *Id.* ¶¶ 18–22. The method next determines the balance in each of purchaser's accounts 240 by accessing the account at each bank 140. *Id.* ¶¶ 22–24. Transaction system 150 then presents 245 purchaser 120 with a list of viable accounts with sufficient balances and receives a selection 250 from purchaser 120 from the selected account to be used for payment to vendor 130. *Id.* ¶¶ 25–27. Transaction system 150 then transfers 255 the purchase amount from the selected account of the purchaser to the vendor account.

Independent claim 23, reproduced below, is illustrative:

23. A method for execution on a processing system that includes one or more processing devices, the method comprising:

receiving, via a communication system, a transaction request from a vendor, the transaction request including an identifier of the vendor and a purchase amount;

receiving, via the communication system, purchaser information from a device of a purchaser;

processing the purchaser information to identify a bank associated with the purchaser;

determining an access protocol associated with the bank;

receiving from the purchaser device, via the communication system, access information corresponding to the access protocol;

logging into, via the communication system, an online banking service associated with the bank based on the access information;

accessing, via said online banking service, account information associated with the purchaser based on the access information;

receiving, via said online banking service, account information from the bank associated with the purchaser, the account information being associated with one or more bank accounts associated with the purchaser;

providing, via the communication system, at least a portion of the account information to the purchaser device;

receiving, via the communication system, a selection of a select bank account from the purchaser device;

creating and executing a funds transfer request for transferring the purchase amount from the select bank account to a bank account associated with the vendor; and

sending, via the communication system, a transaction report to the vendor in response to the transaction request.

Independent claim 1 is a system claim reciting two elements that, collectively, perform essentially the same functions as the above method steps. Independent claim 45 recites a computer readable medium that stores instructions for performing essentially the same method steps as claim 23.

THE REJECTION

Claims 1–75 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter. Final Act. 2.

ANALYSIS

Only those arguments actually made by Appellants are considered in this Decision. Arguments that Appellants did not make in the Briefs are

waived. *See* 37 C.F.R. § 41.37(c)(1)(iv) (2015). Based on Appellants' arguments, we decide the appeal on the basis of representative independent method claim 23. *Id.* (“When multiple claims subject to the same ground of rejection are argued as a group or subgroup by appellant, the Board may select a single claim from the group or subgroup and may decide the appeal as to the ground of rejection with respect to the group or subgroup on the basis of the selected claim alone.”). We agree with and adopt as our own the findings of the Examiner as articulated in the Final Office Action (Final Act. 2–3) and in the Answer (Ans. 3–5).

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. 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. If we determine through the first step that the claims are directed to an abstract idea, we turn to the second step of *Alice* in which “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 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 73 (2012)).

In this regard, the Examiner finds that the claims are directed to an abstract idea (*Alice/Mayo* first step)—namely, a “fundamental economic practice.” Final Act. 2. The Examiner further finds the claimed elements, considered individually or in combination, “do not amount to significantly more than an abstract idea.” *Id.*

Appellants contend the Examiner erred specifically arguing: (1) the claims are directed to a problem that is unique to Internet e-commerce and, thus, is rooted in computer technology (App. Br. 8–11); (2) the claims are not directed to a “fundamental economic practice,” (*id.* at 11–14); (3) the claims as a whole amount to significantly more than the abstract idea of processing a financial transaction (*id.* at 15–18); and (4) the claimed invention does not preempt all techniques for transferring funds between a purchaser and a vendor through a computer network (*id.* at 18–19). We address these arguments below.

Alice/Mayo Step 1 — Abstract Idea

The first two arguments by Appellants relate to whether the claims are directed to an abstract idea—i.e., Appellants essentially argue the claims are not directed to an abstract idea because the claims are rooted in computer/network technology and because the claims are not directed to a fundamental economic principle.

1. Argument 1 (Rooted in Computer Technology)

Appellants argue processes that are rooted in computer technology, solving problems unique to computer technology, are not abstract ideas. App. Br. 8 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014)). Appellants contend that, prior to the advent of the Internet, a purchaser desirous of paying a vendor with a check would have to complete the financial transaction in person, physically present at the vendor’s store to provide the check, or mail the check thereby imposing delays in the transaction. *Id.* According to Appellants, using the Internet for such commercial transactions, purchasers are able to avoid physical travel to

complete a transaction at the vendor's storefront. *Id.* at 9. However, according to Appellants, an online purchaser using the Internet was unable to pay using a check. *Id.* Based on *DDR*, Appellants contend its claimed method (and associated system and computer readable medium) solves a problem unique to the Internet (paying a vendor from a purchaser's checking account in an online purchase transaction) and, thus, the claimed method is rooted in computer/networking technology and not an abstract idea. *Id.* at 10–11.

We disagree with Appellants' characterization of its claimed invention as rooted in computer/networking technology. In *DDR*, the claims provide a solution “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *DDR*, 773 F.3d at 1257. In particular, the *DDR* court held the claims were directed to the “challenge of retaining control over the attention of the customer in the context of the Internet,” such that:

Instead of the computer network operating in its normal, expected manner by sending the website visitor to the third-party website that appears to be connected with the clicked advertisement, the claimed system generates and directs the visitor to the above-described hybrid web page that presents product information from the third-party and visual “look and feel” elements from the host website.

DDR, 773 F.3d at 1258–59. In *DDR*, “the claims addressed the problem of retaining website visitors who, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be instantly transported away from a host's website after ‘clicking’ on an advertisement and activating a hyperlink.” *Ans.* 3 (citing *DDR*, 773 F.3d at 1257). By contrast, Appellants' claims use computers and the Internet in accordance

with their normal functions—computers that obtain data, communicate data over the Internet, analyze exchanged data, and output data. *See id.*

Although Appellants characterize the problem to be addressed as one that arises only in the context of computer/networking as applied to online purchase transactions, nothing in the claims is directed to changes or improvements in the operation of the underlying computer or networking technology to achieve the desired solution to the problem. Instead of a purchaser manually providing identification, in person, to validate a purchase by check, the claimed method uses standard computing systems to obtain purchaser, vendor, and banking information via a computer network (e.g., the Internet). In accordance with typical computer networking operation, data related to the purchaser, vendor, and banks, is transmitted and received through standard operations of such communication networks. Further, in accordance with typical data processing, standard computer systems are employed to process and analyze the exchanged data to validate the use of a checking account by a purchaser.

Appellants do not identify any aspects of the claimed invention that improve upon the standard operation of the claimed network used to communicate the various data for the transaction or that improve on the standard operation of the computers used to analyze and process the exchanged data. Accordingly, we are not persuaded the claims are rooted in computer/network technology.

2. Argument 2 (Fundamental Economic Practice)

The Examiner asserts “[t]he claim(s) is/are directed to the abstract idea of a fundamental economic practice.” Final Act. 2. More specifically, the Examiner finds “[t]he claims recite the steps of receiving a transaction

request, receiving account information and transferring funds associated with the payment request.” *Id.* at 3. The Examiner asserts that processing of such a financial transaction is similar to the risk management methods discussed in *Bilski v. Kappos*, 561 U.S. 593 (2010) and similar to the mitigation of settlement risks as discussed in *Alice*—both found to be abstract ideas. *Id.*

Appellants argue that not all claims directed to financial transactions are abstract ideas. App. Br. 11. Appellants characterize the claims of *Bilski* and *Alice* and contend that, unlike the Court in *Bilski* and *Alice*, the Examiner has not identified a particular economic practice in the claims and, thus, has failed to establish a prima facie case that the claims are directed to the abstract idea of a fundamental economic principle. *Id.* at 13–14.

We are not persuaded the Examiner erred in finding the claims are directed to an abstract idea—namely a fundamental economic principle. Specifically, we determine the claims are directed to completing a financial transaction between a purchaser and a vendor—an ancient economic transaction. More specifically, the Examiner finds the claims recite the steps of “receiving a transaction request, transmitting account information, processing account information, and processing the transaction” and finds this “is similar to other concepts that have been identified as abstract by the courts, such as collecting and comparing known information in Classen or banking transactions using cellular/wireless devices in *Joao Bock*.” Ans. 4 (citing *Joao Bock Transaction Sys., LLC v. Fid. Nat. Info. Servs., Inc.*, 122 F. Supp. 3d 1322 (M.D. Fla. 2015); *Classen Immunotherapies, Inc. v. Biogen IDEC*, 659 F.3d 1057 (Fed. Cir. 2011)). We agree. The District Court in *Bock* noted that, although the record was devoid of evidence of

banking or economic textbooks, “the Court has little difficulty deciding that these ‘method[s] of organizing human activity’ are basic commercial practices.” *Bock*, 122 F. Supp. 3d at 1334 (quoting *Alice*, 134 S. Ct. at 2356–57). In like manner, we have little difficulty in recognizing that the claims are directed to a fundamental economic principle of completing a financial transaction between a purchaser and a vendor.

3. Conclusion Regarding First Step of Alice/Mayo

In view of the above discussion, we are not persuaded the Examiner erred in finding the claims are directed to an abstract idea. Specifically, the claims are directed to the fundamental financial principle of a completing a financial transaction between a purchaser and a vendor. Furthermore, we are not persuaded by Appellants’ argument that the claims are not an abstract idea because they are rooted in computing/networking technology addressing a problem unique to such technologies. Instead, the claimed invention utilizes standard computer system and standard communication networks in accordance with their normal mode of operation to achieve the desired purpose of completing a financial transaction between a purchaser and a vendor.

Thus, we determine the claims are directed to an abstract idea. However, “[a] claim drawn to an abstract idea can still be patent-eligible if it adds an ‘inventive concept’ that transforms the abstract idea into a real invention, and does not just add the words ‘apply it.’” *Bock*, F. Supp. 3d at 1334 (quoting *Alice*, 134 S. Ct. at 2355, 2357). Hence, we shift our analysis to the second step of the *Alice/Mayo* test.

Alice/Mayo Step 2 — Sufficient Inventive Concept
Argument 3 (Significantly More Than Abstract Idea)

In the second step of the test, we determine whether the claims contain an inventive concept sufficient to transform the claimed abstract idea into a patent-eligible claim. *Alice*, 134 S. Ct. at 2357. Appellants argue the claims provide a sufficient inventive concept (“significantly more than the abstract concept of processing a financial transaction”) by (1) providing assurance that the purchaser is the owner of the bank account used for the payment to the vendor (App. Br. 15–16) and (2) enabling the vendor to control the financial transaction to completion (*id.* at 17–18).

We are not persuaded the claims recite significantly more than the abstract idea. The Examiner finds the claims “simply perform the generic computer functions of receiving, processing and transmitting data” as generic computer functions and, thus, “do not amount to significantly more than the abstract idea.” Ans. 5. We agree. Initially, we note Appellants’ professed advantages of the claimed invention are not reflected in the claims and, thus, the arguments are not commensurate with the claims. *See In re Self*, 671 F.2d 1344, 1348 (CCPA 1982). Furthermore, we are not persuaded that the professed advantages of the claimed invention are lacking in other means/methods for completing the purchaser/vendor financial transaction (e.g., payment by paper check (delivered by mail or in person), electronic payment through Automated Clearing House (“ACH”) payments, credit card transactions, etc.).

Appellants raise additional arguments in the Reply Brief that were not raised in the Appeal Brief. Reply Br. *passim*. We are not persuaded that the arguments raised in the Reply Brief are in response to the Examiner’s

Answer and, thus, we need not address such new arguments first raised in the Appellants' Reply Brief. *See* 37 C.F.R. § 41.41(b)(2). Furthermore, the arguments in the Reply Brief address still further professed advantages of the claimed invention—aspects not found in the claim limitations and, hence, not commensurate with the scope of the claims.

Accordingly, we are not persuaded that the claims recite substantially more than the abstract idea of completing a financial transaction between a purchaser and a vendor (i.e., a fundamental economic principle).

Argument 4 — Claimed Invention Does Not Preempt Other Techniques

Appellants argue determining whether the claimed invention preempts every application of the abstract idea is a primary concern of claims directed to an abstract idea and contends the claims do not so preempt every application of the idea. App. Br. 18. Regardless of whether the claims preempt all other applications of network-based payments for a purchase, the Examiner finds, and we agree, “the absence of complete preemption does not demonstrate patent eligibility.” Ans. 5. That there are other methods for executing a financial transaction between a purchaser and a vendor, even other network-based methods, does not mean that Appellants' claims automatically satisfy the § 101 analysis. *See OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (“[T]hat the claims [directed to the concept of offer-based price optimization] 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.”); *Kroy IP Holdings, LLC v. Safeway, Inc.*, 107 F.Supp. 3d 677, 695 (E.D. Tex. May 29, 2015) (“[T]he Supreme Court has made clear that the fact that claims are

directed to a specific commercial application of an abstract idea does not by itself render them patentable.”).

Accordingly, we remain unpersuaded that the claims are directed to substantially more than an abstract idea—that of executing a financial transaction between a purchaser and a vendor (by means of computers and a network).

Conclusion

For the reasons above, we are not persuaded the Examiner erred in rejecting independent method claim 23 under 35 U.S.C. § 101 as directed to non-statutory subject matter. Appellants do not separately argue, with particularity, the rejection of other claims and, thus, we selected claim 23 as representative of all rejected claims. Therefore, for the same reasons as for claim 23, we are not persuaded of Examiner error in the rejection of any of claims 1–75 under 35 U.S.C. § 101.

DECISION

For the above reasons, the Examiner’s decision rejecting claims 1–75 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