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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte KURT BULAWA,
MICHELE DEMARK,
MICHAEL MICHELSEN,
and DAVE OWEN

Appeal 2016–005871
Application 14/188,100
Technology Center 3600

Before ANTON W. FETTING, JOSEPH A. FISCHETTI, and
ALYSSA A. FINAMORE, *Administrative Patent Judges*.

FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE¹

Kurt Bulawa, Michele Demark, Michael Michelsen, and Dave Owen
(Appellants) seek review under 35 U.S.C. § 134 of a final rejection of claims

¹ Our decision will make reference to the Appellants’ Appeal Brief (“Br.,” filed September 15, 2015) and the Examiner’s Answer (“Ans.,” mailed March 16, 2016), and Final Action (“Final Act.,” mailed April 20, 2015).

1–20, the only claims pending in the application on appeal. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b).

The Appellants invented a way of allowing a sender to transfer money without providing funds for the money transfer upfront. Specification para. 4.

An understanding of the invention can be derived from a reading of exemplary claim 1, which is reproduced below (bracketed matter and some paragraphing added).

1. A method comprising:

- [1] registering, via one or more processors, a sender in a value-advance money transfer program, wherein the value-advance money transfer program is for sending money to a receiver prior to the sender providing payment to a money transfer provider;
- [2] determining, via the one or more processors, that an account identified by the sender to be used as a source account from which to fund a money transfer is insufficiently funded to cover the money transfer;
- [3] causing, via the one or more processors, funds from the money transfer provider to be made available to cover at least a portion of the money transfer when:
 - [4] the source account is determined to be insufficiently funded;
 - [5] the sender is registered in the value-advance money transfer program;
 - and
 - [6] a money transfer history between the sender and the receiver indicates that the sender and receiver have engaged in regular and repeated money transfers of at least a predetermined frequency;

and

[7] executing, via the one or more processors,
the money transfer.

App. Br. 8 (Claims Appendix).

Claims 1–20 stand rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.²

ISSUES

The issues of eligible subject matter turn primarily on whether the claims recite more than abstract conceptual advice of what a computer is to provide without implementation details.

ANALYSIS

Method claim 1 recites registering a sender, determining that an account balance is below some amount, making funds available under certain criteria, and executing a funds transfer. Thus, claim 1 recites receiving, analyzing and transmitting data and executing the transfer of funds. None of the limitations recite implementation details for any of these steps, but instead recite functional results to be achieved by any and all possible

² Claims 12–15 depend from claim 11. Claim 11 is directed toward a machine readable medium. Claims 12–15 each recites “The non-transitory machine of claim 11.” We take this to be an obvious clerical error and read each of these claims as instead “The non-transitory machine readable medium of claim 11.”

means. Data reception, analysis and modification, and transmission, and executing funds transfer are all generic, conventional data processing operations to the point they are themselves concepts awaiting implementation details. The sequence of data reception-analysis-transmission-executing funds transfer is equally generic and conventional. The ordering of the steps is therefore ordinary and conventional. The remaining claims merely describe different criteria and processing parameters, with no implementation details.

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) (citations omitted) (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012)).

To perform this test, we must first determine whether the claims at issue are directed to a patent-ineligible concept. The Examiner determines the claims directed to transferring money. Final Act. 2

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

The preamble to claim 1 does not recite what it is directed to, but the steps in claim 1 result in transferring funds. The Specification at paragraph 4 recites that the invention relates to allowing a sender to transfer money without providing funds for the money transfer upfront. Thus, all this evidence shows that claim 1 is directed to allowing a sender to transfer money without providing funds for the money transfer upfront, i.e. funds transfer. This is consistent with the Examiner's determination.

It follows from prior Supreme Court cases, and *Bilski* (*Bilski v Kappos*, 561 U.S. 593 (2010)) in particular, that the claims at issue here are directed to an abstract idea. Like the risk hedging in *Bilski*, the concept of funds transfer is a fundamental economic practice long prevalent in our system of commerce. The use of funds transfer is also a building block of human ingenuity in finance. Thus, funds transfer, like hedging, is an "abstract idea" beyond the scope of § 101. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2356.

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 risk hedging in *Bilski* and the concept of funds transfer at issue here. Both are squarely within the realm of "abstract ideas"

as the Court has used that term. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2357.

Further, claims involving data collection, analysis, and display are directed to an abstract idea. *Elec. Power Grp. v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (holding that “collecting information, analyzing it, and displaying certain results of the collection and analysis” are “a familiar class of claims ‘directed to’ a patent ineligible concept”); *see also In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016). Claim 1, unlike the claims found non-abstract in prior cases, uses generic computer technology to perform data reception, analysis, and transmission, and execute funds transfer and does not recite an improvement to a particular computer technology. *See, e.g., McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314–15 (Fed. Cir. 2016) (determining claims not abstract because they “focused on a specific asserted improvement in computer animation”). As such, claim 1 is directed to the abstract idea of receiving, analyzing, and transmitting data, and executing the transfer of funds.

The remaining claims merely describe different criteria and processing parameters. We conclude that the claims at issue are directed to a patent-ineligible concept.

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 (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 register a user, determine whether a balance is sufficiently large, and cause a funds transfer based on the outcome amounts to electronic data query and retrieval, and funds transfer—one of the most basic functions of a computer. The limitation of “wherein the value-advance money transfer

program is for sending money to a receiver prior to the sender providing payment to a money transfer provider” is not a step, but a recitation of an aspiration for the program, *viz.* an aspiration, a desired effect. 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’ method claims simply recite the concept of funds transfer as performed by a generic computer. To be sure, the claims recite doing so by advising one to check if there are sufficient funds for a transfer, and if not, test for certain criteria for nevertheless making a funds transfer and making the transfer. But this is no more than abstract conceptual advice on the parameters for such funds transfer and the generic computer processes necessary to process those parameters, and do not recite any particular implementation.

The method 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. The Specification spells out different generic equipment and parameters that might be applied using this concept and the particular steps such conventional processing would entail based on the concept of funds transfer under different scenarios. They do not describe any particular improvement in the manner a computer functions. Instead, the claims at issue amount to nothing significantly more

than an instruction to apply the abstract idea of funds transfer using some unspecified, 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.

We are not persuaded by Appellants’ argument that:

Each of the claims improves other technical fields beyond “transferring money” (the alleged abstract idea). To state that only the technology of “transferring money” is affected by these claims is to avoid consideration of a vast swath of the claims (if not, in fact, most of the language of the claims).

Br. 4. Appellants misapply the first step in *Alice*. This step asks what the claims are directed to, not which technologies are affected. Further, Appellants do not describe how any of the “vast swath of claims” recites a technological improvement. All of the claims recite abstract conceptual advice as to results to be achieved devoid of technological implementation details.

We are not persuaded by Appellants’ argument that:

[F]inancial program membership technology is improved because the systems and methods of the claims allow for subscription to such services to matter in when and how money may be transferred. Furthermore, technology which monitors and analyzes account balances is implemented which can allow for greater control of a subscriber's balance (or lack thereof), and its impact on future requested transfers. Finally, tracking of financial transactions technology becomes more important because past transactions between parties matter for something more than mere accounting. Instead, such history can impact whether or not an under-funded potential transfer can go forward.

Br. 5. The issue is not whether associated technologies improve as a result of the invention, but whether the invention is itself an improvement in the technology. Many technologies are improved by communications among participants, but advising such communication is an abstraction. Similarly, the instant claims recite abstract conceptual advice that perhaps has some effect, but the claims do not recite any particular technological improvement.

We are not persuaded by Appellants' argument that:

Particular, non-generic, machines/computers are necessary to implement the systems and methods of the claims. For example, a server capable of implementing the systems and methods must be able to communicate digital data with a multitude of differing financial networks and their associated protocols. Off-the-shelf generic computers are not capable of performing such functions, much less concurrently during an [sic] period of intense heavy transaction load as may be necessary in such industry.

Br. 5. This argument is entirely conclusory. Appellants present no evidence that off-the-shelf generic computers are not capable of performing such

functions, and these arguments appear to contend that off-the-shelf computers could not meet commercial environment needs. As such needs are not recited in the claims, this is unpersuasive.

We are not persuaded by Appellants' argument that"

Each of claims 1, 11, and 16 includes specific limitations other than what is well-understood, routine and conventional in the field, or add unconventional steps that confine the claim to a particular useful application. The Office Action admits this implicitly because these claims do not stand rejected under §102 or §103. . . . Novel and non-obvious claims, by their very definition, must include limitations other than what is well-understood, routine, and conventional in the field, or else they wouldn't be novel and non-obvious. Because the alleged abstract idea has been labeled a fundamental economic practice by the Office Action, novelty and non-obviousness cannot lie within that portion of the claim, as fundamental economic practices are "long prevalent in our system and taught in any introductory finance class."

Br. 5–6. That the advice recited in the claims may be novel does not affect the abstract nature of the advice. "A claim for a *new* abstract idea is still an abstract idea. The search for a § 101 inventive concept is thus distinct from demonstrating § 102 novelty." *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016). The limitations Appellants refer to advise one to check if there are sufficient funds for a transfer, and if not, test for certain criteria for nevertheless making a funds transfer and making the transfer. This remains directed to funds transfer, a fundamental economic practice.

We are not persuaded by Appellants' argument that:

Claims 2-10, 12-15, and 17-20 stand rejected as being directed to non-statutory subject matter. At least because these claims depend from claims 1, 11, or 16, which constitute eligible subject matter as detailed above, these claims are also believed to constitute eligible subject matter. Additionally, the Office Action makes no effort to analyze these claims and state any grounds for why the recitations of these claims do not amount to significantly more than the alleged abstract idea.

Br. 6. We disagree with Appellants. The Examiner indicates all claims were considered. Final Act. 2–3. Whether the Examiner summarizes the findings and determinations is not conclusive as to whether the Examiner considered each claim. As we determine *supra*, the remaining claims merely describe different criteria and processing parameters, with no implementation details.

CONCLUSIONS OF LAW

The rejection of claims 1–20 under 35 U.S.C. § 101 as directed to non-statutory subject matter is proper.

DECISION

The rejection of claims 1–20 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) (2011).

AFFIRMED