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EXAMINER

GREGG, MARY M

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte STEVEN E. ARTHUR, CHRISTOPHER L.
TOOMER, SARAH OWEN, and THEODORE VANDEBURG

Appeal 2016-006265
Application 14/052,397
Technology Center 3600

Before JEREMY J. CURCURI, BARBARA A. BENOIT, and
JOSEPH P. LENTIVECH, *Administrative Patent Judges*.

CURCURI, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's rejection of claims 1–20. *See* Final Act. 1. We have jurisdiction under 35 U.S.C. § 6(b).

Claims 1–20 are rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more. Final Act. 5–8.

Claims 1–4 are rejected under pre-AIA 35 U.S.C. § 103(a) as obvious over McIsaac et al. (US 2008/0222046 A1; published Sept. 11, 2008), Chrisekos et al. (US 2003/0014357 A1; published Jan. 16, 2003), and

Labrou et al. (US 2007/0022058 A1; published Jan. 25, 2007). Final Act. 9–15.

Claims 5–8, 10, and 11 are rejected under pre-AIA 35 U.S.C. § 103(a) as obvious over McIsaac, Chrisekos, and Labrou. Final Act. 15–23.

Claims 9, 12, and 13 are rejected under pre-AIA 35 U.S.C. § 103(a) as obvious over McIsaac, Chrisekos, Labrou, and Bortolin et al. (US 2007/0057051 A1; published Mar. 15, 2007). Final Act. 23–26.

Claim 14 is rejected under pre-AIA 35 U.S.C. § 103(a) as obvious over McIsaac, Chrisekos, Labrou, and Barron et al. (US 2003/0101346 A1; published May 29, 2003). Final Act. 26–27.

Claims 15–19 are rejected under pre-AIA 35 U.S.C. § 103(a) as obvious over McIsaac, Chrisekos, Labrou, and Bortolin. Final Act. 27–35.

Claim 20 is rejected under pre-AIA 35 U.S.C. § 103(a) as obvious over McIsaac, Chrisekos, Labrou, Bortolin, and Barron. Final Act. 35–36.

We reverse.

STATEMENT OF THE CASE

Appellants’ invention relates to “payment systems supporting use of mobile electronic devices in various types of financial transactions.” Spec.

¶ 4. Claim 1 is illustrative and reproduced below:

1. A method of sending an e-receipt to a mobile device, the method comprising:
 - receiving from a point of sale device of a merchant, via a server, a communication related to a function of a mobile wallet application executed by the mobile device, wherein the communication relates to a purchase initiated at the point of sale device by a previously authenticated user of the mobile device, wherein the previously authenticated user of the mobile device has been authenticated by the point of sale device using

an identity credential of the user of the mobile device that has been transmitted to the point of sale device by the mobile device, wherein the identity credential comprises information for authenticating or verifying the previously authenticated user, wherein the communication comprises the identity credential and information identifying an account of the previously authenticated user, and wherein the point of sale device receives the identity credential from the mobile device via a near field communication (NFC) interface;

providing one or more mobile commerce functions including communicating with one or more financial institutions that maintain a plurality of financial accounts;

sending an authorization request for the purchase to the one or more financial institutions;

receiving an approval message in response to the authorization request from one of the one or more financial institutions, the approval message comprising an e-receipt that includes information related to the completion of the purchase, wherein the information related to the completion of the purchase comprises at least one of a dollar amount, a transaction amount, and a transaction date; and

transmitting the e-receipt to the point of sale device for transmission to the mobile device for storage or use by the mobile wallet application.

PRINCIPLES OF LAW

We review the appealed rejections for error based upon the issues identified by Appellants, and in light of the arguments and evidence produced thereon. *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential).

ANALYSIS

THE 35 U.S.C. § 101 REJECTION OF CLAIMS 1–20

Contentions

The Examiner finds

Claims 1–4 is/are directed toward performing an authentication in a transaction event and produc[ing] a receipt. Specifically receiving information utilizing generic technology, comparing the received information with stored information in order to identify options. The claim(s) does/do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the claims as a whole, do not amount to significantly more than the abstract idea itself. This is because the claims do not affect an improvement to another technology or technical field; the claims do not amount to an improvement to the functioning of a computer itself; and the claims do not move beyond a general link of the use of an abstract idea to a particular technological environment. The claims merely amount to the application or instructions to apply the abstract idea (i.e. performing a authentication) using a mobile device and a payment processing system, and is considered to amount to nothing more than requiring a generic mobile device and a generic computer to merely carry out the abstract idea itself. As such, the claims, when considered as a whole, are nothing more than the instruction to implement the abstract idea (i.e. authentication) in a particular, albeit well-understood, routine and conventional technological environment. The specifics about the abstract idea do not overcome the rejection. Additionally, in reference to “apply it” of the test, if the first steps are data gathering for the abstract idea and the remaining are the abstract idea, doing them on a generic “mobile device” or a generic “processing system” would be just “apply it”.

Final Act. 5–6; *see also* Final Act. 6–8 (addressing claims 5–20).

The Examiner further finds “the claims are not rooted in technology but instead are rooted in solving an identification/authentication issue utilizing generic computer hardware and/or software. Recitation of a general

purpose computer device and/or internet is insufficient to add ‘something more’ to claims otherwise directed to abstract subject matter (See *Alice*.)”
Ans. 2; *see also* Ans. 3–6 (discussing “significantly more”).

Appellants present the following principal arguments:

i. The claims are not directed to an abstract idea. *See* App. Br. 7–9.

In fact, the particular problems being solved by the claims only exist due to the existence of computer technology and computer networks. E-receipts are clearly a product of computer technology and computer networks. The development of mobile device technology has enabled users to conduct purchase transactions with mobile devices, which has necessitated the advances in mobile authentication and e-receipt technology. As such, the independent claims and those that depend therefrom are not directed to an abstract idea.

App. Br. 8–9; *see also* Reply Br. 1.

ii. The claims include elements sufficient to ensure that the claims amount to significantly more than any abstract idea. *See* App. Br. 9–12; *see also* Reply Br. 1–2.

Our Review

In *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014), the Supreme Court applied the framework as set forth in *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012) for determining whether the claims are directed to patent-eligible subject matter. *Alice*, 134 S. Ct. at 2355. The first step in the analysis is to “determine whether the claims at issue are directed to one of [the judicially-recognized] patent-ineligible concepts.” *Id.* If the claims are directed to a patent-ineligible concept, then the second step in the analysis is to consider the elements of

the claims “individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 566 U.S. at 78, 79).

However, the Federal Circuit has articulated that “the first step in the *Alice* inquiry . . . asks whether the focus of the claims is on the specific asserted improvement in computer capabilities . . . or, instead, on a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016). Accordingly, the Federal Circuit determined, if “the claims are directed to a specific implementation of a solution to a problem in the software arts,” then “the claims at issue are not directed to an abstract idea.” *Id.* at 1339.

In the “Background of the Invention” section, Appellants’ Specification discloses the following:

[C]urrent payment systems that use contactless devices are restricted to particular payment channels. For example, in some systems, payment requests initiated by the use of a contactless device are routed through a conventional debit or credit authorization network. In other systems, payment requests are processed offline by the device, which includes a “stored value” account balance. In other cases, transactions involving such stored value or pre-paid accounts are processed online by systems maintaining account balance and other information. The networks and systems handling credit, debit, pre-paid, and possibly other accounts are separate from each other. Furthermore, these networks and systems may not be compatible or interoperable. *Therefore, a device intended for use on one network or system may not be usable on a POS device operating on another network. Additionally, the ability of any given device to handle more than one account or account type is limited. Therefore, the use of such contactless devices has not*

successfully reduced the number of different forms of payment a consumer carries.

Spec ¶ 8 (emphasis added).

In describing additional details of a system for processing transactions utilizing a mobile electronic device according to the invention, Appellants' Specification discloses the following:

FIG. 4 is a block diagram illustrating additional details of the system of FIG. 3 according to one embodiment of the present invention. In this example, the system 400 includes a mobile device 324 such as described above. The mobile device 324 can include a Near Field Communications (NFC) transponder 407 and can execute a mobile wallet application 408. The mobile device 324 can be adapted to maintain at least one set of information related to a financial account in the mobile wallet 408 and communicate at least a subset of the information related to the financial account via the NFC transponder 407 upon initiation of a transaction such as a purchase. In some cases, *the mobile wallet 408 of the mobile device 324 can maintain information related to a plurality of financial accounts such as, for example, debit accounts, demand deposit accounts, stored value accounts, loyalty accounts under a customer loyalty program, etc.* In such cases, the mobile wallet 408 of the mobile device 324 can be adapted to present the plurality of financial accounts to a user of the mobile device 324 and receive a selection of a financial account for the transaction. The mobile device 324 can also be adapted to communicate at least a subset of the information related to the selected financial account via the NFC transponder 407 upon initiation of the transaction.

Spec. ¶ 75 (emphasis added). In describing an e-receipt, Appellants' Specification further discloses the following:

According to one embodiment [illustrated in FIG. 16], *the approval message 1610 may comprise an electronic receipt.* That is, the approval message 1610 can include information related to completion of the transaction such as a dollar amount, time, date, payee information, and/or other information useful to

a user of the mobile device 324 to identify, record, and/or track the transaction. In such a case, *the POS device 310 may be adapted to receive the approval message 1610 from the acquirer system 312 and pass the approval message 1610 to the mobile device 324 via the NFC transponders 406 and 407 to be stored in or by the mobile wallet 408 of the mobile device 324.*

Spec. ¶ 120 (emphasis added).

Appellants' claim 1 recites

receiving an approval message in response to the authorization request from one of the one or more financial institutions, the approval message comprising an e-receipt that includes information related to the completion of the purchase, wherein the information related to the completion of the purchase comprises at least one of a dollar amount, a transaction amount, and a transaction date; and

transmitting the e-receipt to the point of sale device for transmission to the mobile device for storage or use by the mobile wallet application.

App. Br. Claims Appendix.

We agree with Appellants that “E-receipts are clearly a product of computer technology and computer networks. The development of mobile device technology has enabled users to conduct purchase transactions with mobile devices, which has necessitated the advances in mobile authentication and e-receipt technology.” App. Br. 8–9.

Accordingly, Appellants' claim provides receiving an e-receipt from a financial institution, and transmitting the e-receipt to the point of sale device for transmission to the mobile device. Thus, Appellants' claimed invention is directed to an e-receipt in the context of a mobile wallet application on a mobile device, and the e-receipt does not exist without the computer technology and computer networks. *See* Spec. ¶¶ 8, 75, 120.

To the extent Appellants' claimed invention is considered an abstract idea, such claimed invention is a "specific asserted improvement in computer capabilities" rather than "a process that qualifies as an 'abstract idea' for which computers are invoked merely as a tool." *See Enfish*, 822 F.3d at 1335–36. Accordingly, because "the claims are directed to a specific implementation of a solution to a problem in the software arts," claim 1 is not directed toward an abstract idea. *See id.* at 13.

Accordingly, we do not sustain the rejection of independent claim 1 under 35 U.S.C. § 101. We also do not sustain the rejection of claims 2–20 for the same reasons discussed with respect to claim 1.

THE OBVIOUSNESS REJECTION OF CLAIMS 1–4 OVER McISAAC, CHRISEKOS,
AND LABROU
Contentions

The Examiner finds McIsaac, Chrisekos, and Labrou teach all limitations of claim 1. Final Act. 9–13; *see also* Ans. 6–13. The Examiner uses McIsaac as the primary reference. *See* Final Act. 9–13.

The Examiner finds Chrisekos teaches

wherein the communication relates to a purchase initiated at the point of sale device by a previously authenticated user of the mobile device, wherein the previously authenticated user of the mobile device has been authenticated by the point of sale device using an identity credential of the user of the mobile device that has been transmitted to the point of sale device by the mobile device, wherein the identity credential comprises information for authenticating or verifying the previously authenticated user, wherein the communication comprises the identity credential and information identifying an account of the previously authenticated user

as recited in claim 1. Final Act. 11–12. The Examiner reasons

It would have been obvious to expand the teaching of McIsaac to include the teaching of Chrisekos since Chrisekos teaches the motivation of providing a system for registering for a mobile transaction a mobile device in order to provide secure transactions and payment option in an interactive medium customized by the user with a plurality of mobile device devices.

Final Act. 12.

The Examiner finds Labrou teaches “wherein the point of sale device receives the identity credential from the mobile device via a near field communication (NFC) interface” as recited in claim 1. Final Act. 13. The Examiner reasons

It would have been obvious to expand the communication between the transaction device of the customer and POS device of McIsaac to include the communication systems as taught by Labrou since Labrou teaches the motivation of a near field communication system at a POS terminal in order to utilize wireless technology and to identify the transacting party.

Final Act. 13.

In the Examiner’s Answer, the Examiner further finds “[t]here is no explicit limitation in the claims that negates the ‘anonymity’ of the prior art [in McIsaac].” Ans. 7; *see also* Ans. 12 (“encrypted information shared [in McIsaac] is still shared information”).

Appellants present the following principal arguments:

i.

[C]ombining such an identity credential of Chrisekos with the anonymous transaction device of McIsaac would necessitate the sharing of user information with a merchant, thus rendering the intended purpose — anonymity of a buyer — of McIsaac inoperable. Moreover, McIsaac teaches away from being combined with any secondary reference related to sharing such identifying information with a merchant, as such a combination

would impermissibly render McIsaac inoperable for its intended purpose.

App. Br. 14–15; *see also* Reply Br. 3 (“while [in McIsaac] the merchant may possess a packet of information from the buyer, the merchant is unable to decrypt and access any of this information.”) and Reply Br. 6 (“the merchant’s point of sale systems [in McIsaac] do not authenticate users based on an identity credential to maintain the anonymity of the buyer”).

ii.

McIsaac relates to a method and system for effecting anonymous credit card purchases over the Internet and does not disclose in-person transactions, there is no motivation to combine the online transaction system of McIsaac with an in person transaction system of Labrou. Additionally, in McIsaac a buyer transmits the information directly to the 3rd party security server system for encryption. Thus, there is no way that the identity credential is received by the merchant (point of sale device) using NFC, as that would require the unencrypted identifying information to be received by the merchant from the mobile device. Thus, the anonymity of the transaction would be destroyed.

App. Br. 15; *see also* Reply Br. 9 (“there is no way that the identity credential is received by the merchant (point of sale device) using NFC, as that would require the unencrypted identifying information to be received by the merchant from the mobile device”).

Our Review

McIsaac, in its pertinent part, discloses a “Method and System for Effecting Anonymous Credit Card Purchases over the Internet.” McIsaac Title. McIsaac further discloses a merchant server system, a buyer system, a security server system “receiving buyer information from the buyer system, encrypting the buyer information in an encryption key that prevents the

merchant server system from decrypting the buyer information, and transferring the encrypted buyer information to the merchant server system.” McIsaac Abstract. “[T]he merchant server system transmits at least a portion of the encrypted buyer information to [a] third server system for processing during the transaction.” *Id.*

Thus, in McIsaac, the merchant server system is prevented from understanding the “buyer information” because the “buyer information” is encrypted by the security system server before reaching the merchant server system. *See* McIsaac Abstract.

Chrisekos, in its pertinent part, discloses “receiving a customer ID and a transaction information from a transaction provider.” Chisekos Abstract.

Labrou, in its pertinent part, discloses near field communication. Labrou ¶ 185.

We are persuaded by Appellants’ argument (i) that combining Chrisekos with McIsaac would render McIsaac inoperable for its intended purpose—anonymity of the buyer. Further, contrary to the Examiner’s position (*see* Ans. 7, 12), we conclude that the claim language does require a lack of anonymity. For example, claim 1 recites “wherein the previously authenticated user of the mobile device has been authenticated by the point of sale device using an identity credential of the user of the mobile device that has been transmitted to the point of sale device by the mobile device.” In order for the point of sale device to authenticate the user of the mobile device, a lack of anonymity is required.

Accordingly, the Examiner’s reasons (*see* Final Act. 12) for combining Chrisekos with McIsaac lack a rational underpinning because the language of claim 1 requires a lack of anonymity, and modifying McIsaac to

eliminate anonymity of the buyer renders McIsaac inoperable for its intended purpose—anonymity of the buyer.

We are similarly persuaded by Appellants' argument (ii) that combining Labrou with McIsaac would render McIsaac inoperable for its intended purpose—anonymity of the buyer.

We, therefore, do not sustain the Examiner's rejection of claim 1. We also do not sustain the Examiner's rejection of claims 2–4, which depend from claim 1.

THE OBVIOUSNESS REJECTION OF CLAIMS 5–8, 10, AND 11 OVER MCISAAC,
CHRISEKOS, AND LABROU

Independent claim 5 recites limitations similar to the limitations of claim 1 discussed above; claims 6–8, 10, and 11 depend from claim 5. The Examiner's findings for this ground of rejection do not cure the deficiencies discussed above with respect to claim 1. *See* Final Act. 15–23; *see also* Ans. 13.

We, therefore, do not sustain the Examiner's rejection of claims 5–8, 10, and 11.

THE OBVIOUSNESS REJECTION OF CLAIMS 9, 12, AND 13 OVER MCISAAC,
CHRISEKOS, LABROU, AND BORTOLIN

Claims 9, 12, and 13 depend from claim 5, which recites limitations similar to the limitations of claim 1 discussed above. The Examiner's findings for this ground of rejection do not cure the deficiencies discussed above with respect to claim 1. *See* Final Act. 23–36; *see also* Ans. 13–14.

We, therefore, do not sustain the Examiner's rejection of claims 9, 12, and 13.

THE OBVIOUSNESS REJECTION OF CLAIM 14 OVER MCISAAC, CHRISEKOS,
LABROU, AND BARRON

Claim 14 depends from claim 5, which recites limitations similar to the limitations of claim 1 discussed above. The Examiner's findings for this ground of rejection do not cure the deficiencies discussed above with respect to claim 1. *See* Final Act. 26–27; *see also* Ans. 13–14.

We, therefore, do not sustain the Examiner's rejection of claim 14.

THE OBVIOUSNESS REJECTION OF CLAIMS 15–19 OVER MCISAAC, CHRISEKOS,
LABROU, AND BORTOLIN

Claims 15–19 are rejected under pre-AIA 35 U.S.C. § 103(a) as obvious over McIsaac, Chrisekos, Labrou, and Bortolin. Final Act. 27–35.

Independent claim 15 recites limitations similar to the limitations of claim 1 discussed above; claims 16–19 depend from claim 15. The Examiner's findings for this ground of rejection do not cure the deficiencies discussed above with respect to claim 1. *See* Final Act. 27–25; *see also* Ans. 13.

We, therefore, do not sustain the Examiner's rejection of claims 15–19.

THE OBVIOUSNESS REJECTION OF CLAIM 20 OVER MCISAAC, CHRISEKOS,
LABROU, BORTOLIN, AND BARRON

Claim 20 depends from claim 15, which recites limitations similar to the limitations of claim 1 discussed above. The Examiner's findings for this ground of rejection do not cure the deficiencies discussed above with respect to claim 1. *See* Final Act. 35–36; *see also* Ans. 14.

We, therefore, do not sustain the Examiner's rejection of claim 20.

ORDER

The Examiner's decision rejecting claims 1–20 is reversed.

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).

REVERSED