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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte QILIN HU

Appeal 2016-006351
Application 13/070,382¹
Technology Center 3600

Before ALLEN R. MACDONALD, JASON V. MORGAN, and
IRVIN E. BRANCH, *Administrative Patent Judges*.

BRANCH, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant appeals under 35 U.S.C. § 134(a) from a final rejection of claims 1–7, 15–19, 26, and 29, which are all of the claims pending in the application.

We AFFIRM.

Technology

The application relates to “metadata driven methods and systems to process financial data.” Spec. ¶ 2.

¹ According to Appellant, the real party in interest is eBay, Inc. App. Br. 2.

Representative Claim

Claim 1 is illustrative and reproduced below with formatting and bracketed numbering added:

1. A system including:

a processor;

a database that stores financial transaction information that includes a first set of financial transaction records; and

a tool that is, comprised of software components[: 1)] that are executable by the processor to identify a first acquirer from a plurality of acquirers based on the first set of financial transaction records, the first acquirer associated with a financial clearing house system,[2)] that [are] executable by the processor to generate into existence a plurality of first acquirer dependent software components based on a first acquirer settlement metadata file associated with the first acquirer, and[3)] that [are] further executable by the processor to generate into existence a first acquirer settlement file based on the first set of financial transaction records and to use the plurality of first acquirer dependent software components to process the first set of financial transaction records to generate the first acquirer settlement file and to communicate the first acquirer settlement file to the financial clearing house system.

Rejections

Claims 1–7, 15–19, 26, and 29 stand rejected under 35 U.S.C. § 101 as being directed to a judicial exception without significantly more. Ans. 2–6.

Claims 1–3, 15–19, 26, and 29 stand rejected under 35 U.S.C. § 103(a) as unpatentable over the combination of James (US 5,717,868; iss. Feb. 10, 1998), Kompella (US 7,350,191 B1; iss. Mar. 25, 2008), and Gooding (US 7,792,716 B2; iss. Sept. 7, 2010). Final Act. 2–13.

Claims 4–7 stand rejected under 35 U.S.C. § 103(a) as unpatentable over James, Kompella, Gooding, and Kim (US 2005/0071512 A1; publ. Mar. 31, 2005). Final Act. 13–14.

ANALYSIS

Obviousness Rejections

The Examiner concludes claim 1 is obvious over the combination of James, Kompella, and Gooding. Final Act. 2–5. Appellant contends the Examiner erred in rejecting claim 1 because, *inter alia*:

- 1) James does not “generate into existence a first acquirer settlement file based on . . . [a] first set of financial transaction records” (App. Br. 9);
- 2) Kompella’s “data access application is not the first acquirer dependent software” (*id.* at 12);
- 3) “combining the teachings of Kompella, asserted by the Examiner and in the manner suggested by the Examiner, would change the principle of operation of James” (*id.* at 14); and
- 4) “a person with ordinary skill in the art would have no motivation to combine the teaching in Kompella with the teaching in James” (*id.* at 15).

Appellant argues claims 2–7, 15–19, 26, and 29 are patentable for the same reasons as claim 1 and further argues claims 4–7 are patentable because Kim does not overcome the shortcomings in the rejection of claim 1. *Id.* at 16–18. Accordingly, our decision as to the obviousness rejections turns on whether we find error in the Examiner’s rejection of claim 1.

Appellant’s arguments (App. Br. 8–16) do not persuade us of error in the Examiner’s rejection of claim 1 for the reasons stated by the Examiner (Ans. 6–8). We adopt the Examiner’s findings, as set forth in the Answer (*id.*) and as set forth in the Final Rejection (Final Act. 3–5). We further concur with the Examiner’s conclusion that claims 1–7, 15–19, 26, and 29 are unpatentable as obvious. Final Act. 2–14.

35 U.S.C. § 101 Rejection

The Examiner concludes that “[c]laims 1–7, 15–19, 26, and 29 are directed to the abstract idea of comparing new and stored information and using rules to identify options which is a type of ‘idea “of itself”’ similar to those found by courts to be abstract.” Ans. 2 (citing *SmartGene*).²

Appellant contends the Examiner erred in rejecting claims 1–7, 15–19, 26, and 29 as patent ineligible because the Examiner has not shown the claims to be directed to an abstract idea without significantly more. Reply Br. 2–15. We are not persuaded.

Section 101 defines patentable subject matter: “[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.” 35 U.S.C. § 101. The Supreme Court, however, has “long held that this provision contains an important implicit exception” that “[l]aws of nature, natural phenomena, and abstract ideas are not patentable.” *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 70 (2012)

² *SmartGene v. Advanced Biological Laboratories*, 555 Fed.Appx. 950, 955 (2014) (non-precedential).

(internal citation and quotations omitted). To determine patentable subject matter, the Supreme Court has set forth a two-part test.

Step 1 — Whether the Claims Are Directed to an Abstract Idea

“First, we determine whether the claims at issue are directed to one of those patent-ineligible concepts” of “laws of nature, natural phenomena, and abstract ideas.” *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014). “The inquiry often is whether the claims are directed to ‘a specific means or method’ for improving technology or whether they are simply directed to an abstract end-result.” *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1326 (Fed. Cir. 2017) (internal citation omitted).

A court must be cognizant that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas” (*Mayo*, 566 U.S. at 71), and “describing the claims at . . . a high level of abstraction and untethered from the language of the claims all but ensures that the exceptions to § 101 swallow the rule.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1337 (Fed. Cir. 2016). Instead, “the claims are considered in their entirety to ascertain whether their character as a whole is directed to excluded subject matter.” *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015).

Appellant’s arguments do not persuade us the Examiner erred in concluding the claims are directed to an abstract idea. “In addressing the first step of the section 101 inquiry, as applied to a computer-implemented invention, it is often helpful to ask whether the claims are directed to ‘an improvement in the functioning of a computer,’ or merely ‘adding conventional computer components to well-known business practices.’”

Affinity Labs of Texas, LLC v. Amazon.com Inc., 838 F.3d 1266, 1270 (Fed. Cir. 2016) (quoting *Enfish*, 822 F.3d at 1338).

Here, we agree with the Examiner that “the claims perform purely generic computer functions.” Ans. 3. Looking at the claims as an ordered combination to generate dependent software components, to use the dependent software components and transaction records to generate an acquirer settlement file, and to communicate the results, the claims identify data, process data, and present results. *See* claim 1. Ans. 2–3. The Federal Circuit has “previously held other patent claims ineligible for reciting similar abstract concepts that merely collect, classify, or otherwise filter data.” *Intellectual Ventures I LLC v. Erie Indem. Co.*, 850 F.3d 1315, 1327 (Fed. Cir. 2017); *see also* *BASCOM Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1348 (Fed. Cir. 2016) (“filtering content is an abstract idea because it is a longstanding, well-known method of organizing human behavior, similar to concepts previously found to be abstract”). For example, in one recent case, the Federal Circuit affirmed the ineligibility of claims involving “acquiring identification data . . . , using the data to verify the validity . . . , and denying access . . . if . . . invalid.” *Smart Sys. Innovations, LLC v. Chicago Transit Auth.*, 873 F.3d 1364, 1371 (Fed. Cir. 2017). In *Smart Systems*, the Federal Circuit held:

The Asserted Claims are not directed to a new type of bankcard, turnstile, or database, nor do the claims provide a method for processing data that improves existing technological processes. Rather, the claims are directed to the collection, storage, and recognition of data. We have determined that claims directed to the collection, storage, and recognition of data are directed to an abstract idea.

873 F.3d at 1372. The claims here are analogous in that they are directed to

“comparing new and stored information and using rules to identify options,” a type of “idea ‘of itself.’” Ans. 2.

Appellant has not sufficiently explained what aspects of the claim recitations allegedly improve computer technology or otherwise direct the claims to a non- abstract idea. *See* Reply Br. 3–11.

Though lengthy and numerous, the claims do not go beyond requiring the collection, analysis, and display of available information in a particular field, stating those functions in general terms, without limiting them to technical means for performing the functions that are arguably an advance over conventional computer and network technology.

Elec. Power Grp., LLC v. Alstom S.A., 830 F.3d 1350, 1351 (Fed. Cir. 2016). “[M]erely selecting information, by content or source, for collection, analysis, and display does nothing significant to differentiate a process from ordinary mental processes, whose implicit exclusion from § 101 undergirds the information-based category of abstract ideas.” *Id.* at 1355; *see also FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1097–98 (Fed. Cir. 2016).

Thus, we agree with the Examiner that the claims are directed to an abstract idea.

Step 2 — Whether the Claims Amount to Significantly More

In the second step, we “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.” *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 566 U.S. at 78, 79). The Supreme Court has “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.” *Id.* (internal citation and quotations omitted).

For computer-related technology, the Federal Circuit has held that a claim may pass the second step if “the claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer . . . [technology].” *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014) (e.g., “a challenge particular to the Internet”).

Appellant argues “the claims include limitations that recite a specific way for generating settlement files according to different acquirer specified formats that *improves the functioning of the communication function of the computer itself.*” Reply Br. 15. We agree with the Examiner, however, that “the claims perform purely generic computer functions.” Ans. 3. Appellant has not sufficiently explained how the recited elements improve the functioning of the communication function. Reply Br. 15. We agree with the Examiner that the

claim limitations do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the additional elements of a processor, database, software components and tool are generic recitation of computers or computer components, recited at a high level of generality, in a computer network, to perform the generic computer functions of transmitting, receiving, and processing data.

Ans. 3. Merely naming the components (e.g., “a tool”) without explaining what technical problem they overcome or technical solution they provide is insufficient.

Rather, the claims recite both a generic computer element—a processor—and a series of generic computer “components” that

merely restate their individual functions—i.e., organizing, mapping, identifying, defining, detecting, and modifying. That is to say, . . . [the claims] merely describe the functions of the abstract idea itself, without particularity. This is simply not enough under step two.

Intellectual Ventures I LLC v. Capital One Fin. Corp., 850 F.3d 1332, 1341 (Fed. Cir. 2017); *see also Smart Sys.*, 873 F.3d at 1374 (“When claims like the Asserted Claims are directed to an abstract idea and merely requir[e] generic computer implementation, they do[] not move into section 101 eligibility territory”) (internal citation and quotations omitted).

Appellant has not directed us to any particular element in any claim that adds significantly more than the abstract idea. *See Reply Br.* 15. Moreover, we are unable to discern, in representative claim 1 or any of the other pending claims, “an ‘inventive concept’ that transforms the corresponding claim into a patent-eligible application of the otherwise ineligible abstract idea.” *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1349 (Fed. Cir. 2014).

DECISION

For the reasons above, we affirm the Examiner’s decision rejecting claims 1–7, 15–19, 26, and 29.

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. § 41.50(f).

AFFIRMED