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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SUSAN FRENCH, MARK CARLSON, ALESIA
PANAGIOTIDES, JUSTIN CHACE, KATE KENNEDY, ASHWIN RAJ,
JOHN TULLIS, and VISHWANATH SHASTRY

Appeal 2016-007616
Application 13/089,231¹
Technology Center 3600

Before MURRIEL E. CRAWFORD, CYNTHIA L. MURPHY,
and SHEILA F. McSHANE, *Administrative Patent Judges*.

McSHANE, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants seek our review under 35 U.S.C. § 134(a) of the
Examiner's final decision to reject claims 1–23. We have jurisdiction under
35 U.S.C. § 6(b).

We AFFIRM.

¹ According to Appellants, the real party in interest is Visa International Service Association. Appeal Brief filed January 13, 2016, hereafter "App. Br.," 3.

BACKGROUND

The invention relates to methods and systems for determining currency rate exchanges for money transfer transactions. Specification, hereafter “Spec.” ¶ 6.

Representative claim 1 is reproduced from page 14 of the Claims Appendix of the Appeal Brief (Claims App.) as follows:

1. A payment processing network server comprising:
 - a processor;
 - a memory coupled to the processor, the memory including a data store; and a rules engine coupled to the processor;
 - wherein the processor is configured to:
 - receive, from a sending financial institution, a first account identifier for a first account associated with a sending entity in a money transfer transaction;
 - receive, from the sending financial institution, account information for a second account associated with a receiving entity in the money transfer transaction, the account information for the second account including a second account identifier;
 - derive a first currency associated with the first account based on information in the first account identifier;
 - derive a second currency associated with the second account based on information in the second account identifier, wherein the second currency is derived by identifying an account range of account identifiers that the second account identifier belongs to, and determining which currency is associated with the identified account range of account identifiers;
 - determine a currency exchange rate between the first currency and the second currency;
 - determine a currency markup charge based on the first currency and the second currency;

apply the currency markup charge to the money transfer transaction;

determine a total amount payable by the sending entity, the total amount including the currency markup charge;

present the total amount to the sending entity for approval;

receive input from the sending entity, the input indicative of approval or denial of the total amount; and

debit the first account for the total amount, if the input indicates that the sending entity has approved the total amount.

The Examiner rejects claims 1–23 under 35 U.S.C. § 101 as reciting a judicial exception without significantly more. Final Action mailed May 29, 2015, hereafter “Final Act.,” 3–5; *see also* Examiner’s Answer mailed June 7, 2016, hereinafter “Ans.,” 2–3.

DISCUSSION

§ 101

Appellants argue the § 101 rejection using independent claim 1 as representative. *See* App. Br. 7–13. We will address the rejection in the same manner.

The Examiner determines that the claims, and, more specifically, representative claim 1, are directed to the abstract idea of “determining [a] foreign exchange rate for a value transfer transaction.” Final Act. 5. The Examiner finds that “these claims do not effect 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.” *Id.* at 4. The Examiner further finds that the determination of the foreign exchange rate is similar to the idea in *CyberSource Corp. v.*

Retail Decisions, Inc., 654 F.3d 1366 (Fed. Cir. 2011), which the Federal Circuit found to be an abstract idea. Ans. 4. Additionally, the Examiner finds that the claim elements in combination “add nothing more than what is present when the elements are considered individually.” *Id.* The Examiner further finds that the claims to “amount to nothing more than requiring a generic computer system to merely carry out the abstract idea itself,” and the claims “are nothing more than the instruction to implement the abstract idea in a particular, albeit well-understood, routine and conventional technological environment.” Final Act. 5.

Appellants argue that the rejection of claim 1 is flawed because the Examiner did not identify the specific judicially-recognized exception for the inventive concept of the claimed foreign rate change determination, and therefore the rejection did not meet the USPTO’s requirements for the initial burden of proof. App. Br. 8–9. Appellants aver that because the claims features can be performed by a generic computer, that does not automatically make the claim patent ineligible. *Id.* at 10. Appellants refer to *DDR Holdings, LLC v. Hotels.com*, 773 F.3d 1245 (Fed Cir. 2014) and *Research Corp. Techs Inc. v. Microsoft Corp.*, 627 F.3d 859 (Fed. Cir. 2010), as examples where claimed steps that were performed on a generic computer, but were patent eligible, alleging that the claim 1 steps are similar to those examples. *Id.*; Reply Br. 2–3. More specifically, Appellants assert that, similar to *DDR*, the invention offers techniques that can improve the functioning of computer system because the use of account ranges to derive currencies eliminates the need for transmission of currency designations and thereby reduces network bandwidth utilization and data storage. App. Br. 11–12; *see also* Reply Br. 3. Appellants further contend that deriving the

second currency “*by identifying an account range of account identifiers that the second account identifier belongs to, and determining which currency is associated with the identified account range of account identifiers,*” as recited in claim 1 is not routine or conventional, [a]s evident by the withdrawal of the prior art rejections.” *Id.* at 12; *see also* Reply Br. 4.

Appellants additionally refer to *BASCOM Global Internet Servs. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016), further arguing that, similar to that case, claim 1 does not preempt all ways of determining foreign exchange rates because it uses an implementation to utilize account ranges to derive the currencies rather than the conventional way of mapping accounts to corresponding currencies. Reply Br. 3–4. Appellants contend that “the lack of prior art being cited against the claims is evident that the combination of the claimed elements provides an inventive concept over the prior art.” *Id.* at 4. Appellants further allege that the claims “do not merely recite the alleged abstract idea of determining foreign exchange rate for a value transfer transaction, or to perform it on a set of generic computer components.” *Id.*

To provide context, 35 U.S.C. § 101 provides that a new and useful “process, machine, manufacture, or composition of matter” is eligible for patent protection. The Supreme Court has made clear that the test for patent eligibility under Section 101 is not amenable to bright-line categorical rules. *See Bilski v. Kappos*, 561 U.S. 593, 609 (2010). There are, however, three limited, judicially created exceptions to the broad categories of patent-eligible subject matter in § 101: “[l]aws of nature; natural phenomena; and abstract ideas.” *See Mayo Collaborative Services v. Prometheus Labs., Inc.*, 566 U.S. 66, 70 (2012).

In *Alice Corporation Pty, Ltd. v. CLS Bank International*, 134 S. Ct. 2347 (2014) (“*Alice*”), the Supreme Court reiterated the framework set forth previously in *Mayo*, “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice*, 134 S. Ct. at 2355 (citation omitted). Under *Alice*, the first step of such analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* (citation omitted). If it is determined that the claims are directed to a patent-ineligible concept, 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 79, 78). In other words, the second step is to “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.* (alteration in original) (quoting *Mayo*, 566 U.S. at 72–73).

The two steps involve “overlapping scrutiny of the content of the claims,” where the Federal Circuit has described “the first-stage inquiry as looking at the ‘focus’ of the claims, their ‘character as a whole,’ and the second-stage inquiry (where reached) as looking more precisely at what the claim elements add—specifically, whether, in the Supreme Court’s terms, they identify an ‘inventive concept’ in the application of the ineligible matter to which (by assumption at stage two) the claim is directed.” *Electric Power Grp, LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016).

After considering Appellants' arguments and the record in this Appeal for the § 101 rejections, we are not persuaded that Appellants identify reversible error. We add the following for emphasis.

We agree with the Examiner that when all the elements of claim 1 are considered in combination—receiving respective account identifiers, deriving currencies and currency markup charge associated with account identifiers, determining a currency exchange rate between the currencies, determining a total amount payable by the sending entity, and getting approval for and debiting the sending account—the elements are directed to the abstract idea of determining a foreign exchange rate for a value transfer transaction. *See* Final Act. 5; Ans. 4. The Specification confirms that the purported advance over the prior art of the claimed invention is limited to using account information for determining currency exchange rates, rather than the sender identifying the receiver currency. Spec. ¶¶ 5, 6, 71. In that context, considering claim 1 in light of the Specification and on its “character as a whole,” we agree with the Examiner that claim 1 is directed to determining currency exchange rates for transfer transactions, an abstract idea. The claim here is similar to ones the Federal Circuit has deemed abstract in *Electric Power Grp.*, 830 F.3d at 1353–54 (gathering and analyzing information by steps people go through in their minds, or by mathematical algorithms, of a specific content and displaying the results), *Mortgage Grader, Inc. v. First Choice Loan Servs.*, 811 F.3d 1314, 1324 (Fed. Cir. 2016) (explaining “[t]he series of steps covered by the asserted claims . . . could all be performed by humans without a computer” in concluding that the claims are directed to an abstract idea), and *Content Extraction and Transmission LLC v. Wells Fargo Bank*, 776 F.3d 1343,

1347 (Fed. Cir. 2014) (collecting, recognizing, and storing data is an abstract idea). *Smart Systems Innovation, Inc. v. Chicago Transit Authority*, 873 F.3d 1364 (Fed. Cir. 2017) is also informative. In that case, the claim included, *inter alia*, elements that verified of the validity of a bankcard, funded a transit ride from one of multiple balances associated with a bankcard, and identified the types of transit tickets associated with a bankcard. *Id.* at 1371–72. There, the Federal Circuit found that the claims did not improve technological processes, and “[r]ather, the claims are directed to the collection, storage, and recognition of data,” which is an abstract idea. *Id.* at 1372. Here, similarly, the claims are directed to the receipt of data, derivation of data, and use of the data for determining foreign exchange rates for value transfer transactions.

The Examiner finds that the abstract ideas of the claim elements are implemented on a generic computer system that is a conventional technological environment. Final Act. 5. Appellants do not allege any issue of disputed material fact or error relating to the Examiner’s findings on this issue, however, Appellants argue that the claims do not have to be performed on a generic computer. *See* Reply Br. 4. We find no reversible error with the Examiner’s findings concerning implementation on a generic computer system; the Specification discloses the use of general, non-specialized computer components and systems, and we find no suggestion that a specialized computer system must be used. Spec. ¶¶ 42–45, 53, Fig. 4. And, perhaps more importantly, the claims do not require the use of a specialized computer system.

We are also not persuaded by Appellants’ allegation that the specific claimed way of effecting a value transfer, that is, by using the account range

to derive the currency rather than the receiver currency being sent, is an “improve[ment] [in] the functioning of computer systems.” App. Br. 11. The Specification provides no support for the alleged benefits argued by the Appellants of less use of bandwidth and data storage by the use of the claimed method—instead the Specification states that the account information is used because “the sender may not know the receiver currency.” There is no support in the record for the benefits alleged by the Appellants. Moreover, Appellants’ argued improvements do not represent patentable technological improvements to computer systems or technology. Rather, the claim only implements the abstract idea and it is “clear that the basic character of a process claim drawn to an abstract idea is not changed by claiming only its performance by computers, or by claiming the process embodied in program instructions on a computer readable medium.” *CyberSource*, 654 F.3d at 1375 (Fed. Cir. 2011). The claims here are distinguishable from *BASCOM*, where claims did not merely recite the abstract idea and generic computer components. *BASCOM*, 827 F.3d at 1349–50 (“The claims do not merely recite the abstract idea of filtering content along with the requirement to perform it on the Internet, or to perform it on a set of generic computer components. Such claims would not contain an inventive concept.”). Appellants’ arguments regarding *DDR* and *Research Corp.* also fail because claim 1 does not represent an improvement to technology. To contrast, in *DDR* the Federal Circuit found the claims patent eligible because they claim 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. And, as explained the Federal Circuit in *Bancorp Servs., L.L.C. v. Sun Life Assur. Co. of Canada*

(U.S.), 687 F.3d 1266, 1279 (Fed. Cir. 2012), “the claimed processes in *Research Corp.* plainly represented improvements to computer technologies in the marketplace,” that “required the manipulation of computer data structures . . . and the output of a modified computer data structure . . . dependent upon the computer components required to perform it.” *See Research Corp.*, 627 F.3d at 865.

We are also not persuaded by Appellants’ argument that the claims will not tie up any judicial exception so that others cannot practice it, that is, preempt other methods of currency exchange determination. Reply Br. 8–9. Preemption, or more accurately the lack thereof, is not dispositive as to whether the claims are patent eligible. *See Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (“While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.”). Finally, Appellants’ contention that the claim 1 limitation of “*identifying an account range*” is not routine or conventional, “[a]s evident by the withdrawal of the prior art rejections” is not persuasive. App. Br. 12. This argument relates to whether a claim is novel or non-obvious, not whether the claim is significantly more than the judicial exception. *See Two-Way Media Ltd. v. Comcast Cable Commc’ns.*, 874 F.3d 1329, 1339–40 (Fed. Cir. 2017) (“Eligibility and novelty are separate inquiries.”).

Therefore, we sustain the rejection of claims 1–23 under § 101.

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SUMMARY

The rejection of claims 1–23 under 35 U.S.C. § 101 is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a).

AFFIRMED