UNITED STATES PATENT AND TRADEMARK OFFICE

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11/401,950	04/12/2006	Masakazu Ito	016778-0506	5679

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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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Ex parte MASAKAZU ITO

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Appeal 2016-007657
Application 11/401,950[1]
Technology Center 3600

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Before MAHSHID D. SAADAT, NORMAN H. BEAMER, and
ALEX S. YAP, *Administrative Patent Judges*.

YAP, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant appeals under 35 U.S.C. § 134(a) from the final rejection of

claims 1, 3, 5–7, 9, and 11, which are all the claims pending in this

application. We have jurisdiction under 35 U.S.C. § 6(b)

We affirm.

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[1] According to Appellant, the real party in interest is NEC Platforms, Ltd.
(App. Br. 2.)

STATEMENT OF THE CASE

Introduction

According to the Specification, Appellant's invention "relates to a point-of-sales (POS) system, in particular to a POS terminal for a POS system which can execute sales calculation including a discount according to a coupon." (April 12, 2006 Specification ("Spec.") p. 1.) Claim 1 is illustrative, and is reproduced below (with minor reformatting):

> 1.   A point-of-sales terminal comprising:
>   an input unit configured to receive an input item code, an input coupon number and a coupon searching command;
>   a memory unit configured to store a coupon data set including a related item code and a valid coupon number;
>   a searching unit connected to said memory unit and said input unit and configured to search said memory unit according to the input item code in response to the coupon searching command to obtain a searching result representing the coupon data set of which the related item code is matched with the input item code;
>   a display unit connected to said searching unit configured to display the searching result supplied from said searching unit; and
>   a calculating unit connected to said input unit and configured to calculate a sales calculation according to the input item code and the input coupon number input to said input unit,
>   wherein when a coupon searching command is input to said input unit after an item code of each item purchased is input to said input unit, said searching unit searches said memory unit according to each item code input to said input unit to find a coupon data set corresponding to the item purchased,
>   when the coupon data set corresponding to the item purchased is found, the searching unit retrieves the coupon data set to display the coupon data set on said display unit,
>   when the coupon data set displayed on said display unit is selected by reason that it is corresponding to a paper coupon shown by a purchaser, the calculating unit calculates a sales calculation according to the selected coupon data set,

when a coupon number of the paper coupon shown by the purchaser is input to the input unit before inputting of the coupon searching command, said searching unit refers to the coupon data set stored in said memory unit to decide whether the input coupon number is valid or not, and

when the input coupon number is valid, said calculation unit calculates sales calculation according to the coupon data set corresponding to the input coupon number, then said searching unit executes the searching in response to the coupon searching command and a result of the searching is displayed after the coupon data set corresponding to the input coupon number is deleted from the result.

Prior Art and Rejections on Appeal

Fajkowski   US 5,905,246   May 18, 1999

Claims 1, 3, 5–7, 9, and 11 stand rejected under 35 U.S.C. § 101 because the claims are not directed to patent eligible subject matter. (*See* April 29, 2015 Final Action ("Final Act.") 2–4.)

Claims 1, 3, 5–7, 9, and 11 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Fajkowski. (*See* Final Act. 4–8.)

ANALYSIS

We have reviewed the Examiner's rejections in light of Appellant's arguments that the Examiner has erred. We are not persuaded that the Examiner erred in rejecting claims 1, 3, 5–7, 9, and 11 under 35 U.S.C. § 101. We are persuaded that the Examiner erred in rejecting claims 1, 3, 5–7, 9, and 11 under 35 U.S.C. § 102(b).

Patent Eligibility

An invention is patent-eligible if it claims a "new and useful process, machine, manufacture, or composition of matter." 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include implicit exceptions: "[l]aws of nature, natural phenomena, and abstract ideas" are not patentable. *E.g.*, *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2354 (2014).

In determining whether a claim falls within the excluded category of abstract ideas, we are guided in our analysis by the Supreme Court's two-step framework, described in *Mayo* and *Alice*. *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). In accordance with that framework, we first determine whether the claim is "directed to" a patent-ineligible abstract idea. *See Alice*, 134 S. Ct. at 2356 ("On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk."); *Bilski v. Kappos*, 561 U.S. 593, 611 (2010) ("Claims 1 and 4 in petitioners' application explain the basic concept of hedging, or protecting against risk."); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981) ("Analyzing respondents' claims according to the above statements from our cases, we think that a physical and chemical process for molding precision synthetic rubber products falls within the § 101 categories of possibly patentable subject matter."); *Parker v. Flook*, 437 U.S. 584, 594–595 (1978) ("Respondent's application simply provides a new and presumably better method for calculating alarm limit values."); *Gottschalk v. Benson*, 409 U.S. 63, 64 (1972) ("They claimed a method for converting binary-coded decimal (BCD) numerals into pure binary numerals.").

The patent-ineligible end of the spectrum includes fundamental economic practices, *Alice*, 134 S. Ct. at 2357; *Bilski*, 561 U.S. at 611; mathematical formulas, *Flook*, 437 U.S. at 594–95; and basic tools of scientific and technological work, *Gottschalk*, 409 U.S. at 67. On the patent-eligible side of the spectrum are physical and chemical processes, such as curing rubber, *Diamond*, 450 U.S. at 184 n.7, "tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores," and a process for manufacturing flour, *Gottschalk*, 409 U.S. at 69.

If the claim is "directed to" a patent-ineligible abstract idea, we then consider the elements of the claim—both individually and as an ordered combination—to assess whether the additional elements transform the nature of the claim into a patent-eligible application of the abstract idea. *Alice*, 134 S. Ct. at 2355. This is a search for an "inventive concept"—an element or combination of elements sufficient to ensure that the claim amounts to "significantly more" than the abstract idea itself. *Id.*

The Examiner finds claims 1, 3, 5–7, 9, and 11 are directed to an "abstract idea" of "'providing an indication of a coupon to a customer that can be used in a purchase transaction[,]' which is a fundamental economic practice." (Final Act. 2.) According to the Examiner:

> Aside from the recitation of a general purpose computer, the steps of receiving, storing, searching, displaying, and calculating all describe an abstract idea, devoid of a concrete or tangible application. The claims merely recite the performance of business practices using a computer and/or a computer network.

(*Id.* at 3; August 31, 2015 Advisor Action ("Adv. Act.") 2.) Appellant contends that "the Final Action offers no comparison or analysis in relation to [Supreme Court cases providing examples of 'abstract ideas']." (App. Br.

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7–8.) In response, the Examiner cites to one or more cases for each limitation of claim 1 (Ans. 4–7) and finds that "contrary to the [A]ppellant['s] argument, the steps are similar to the concepts identified as abstract ideas by the courts." (*Id.* at 7.) Appellant then contends that the Examiner's rejection does not comply with the "Office's Guidance of May 4, 2016" and that *SmartGene, Inc. v. Advanced Biological Labs, SA*, 555 Fed. Appx. 950 (Fed. Cir. 2014), one of the cases the Examiner cites, is not precedential. (Reply 2–3.) Appellant has not persuaded us of Examiner error. First, there is no requirement that examiners must provide evidentiary support in every case before a conclusion can be made that a claim is directed to an abstract idea. *See, e.g.*, para. IV "July 2015 Update: Subject Matter Eligibility" to 2014 Interim Guidance on Subject Matter Eligibility (2014 IEG), 79 Fed. Reg. 74618 (Dec. 16, 2014) ("The courts consider the determination of whether a claim is eligible (which involves identifying whether an exception such as an abstract idea is being claimed) to be *a question of law*. Accordingly, courts do not rely on evidence that a claimed concept is a judicial exception, and in most cases resolve the ultimate legal conclusion on eligibility without making any factual findings.") (emphasis added). Second, while *SmartGene* is not precedential, it is persuasive.[2] Importantly, in addition to the cases the Examiner cites, we find that claim 1 is directed to an abstract idea that is focused on collecting information (from a user and a database), processing the information, and presenting the

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[2] Appellant's contention that *SmartGene* is inapposite because "the claimed 'searching' has not and cannot be performed as mental steps by human beings" in the case of "Figure 2 [of the Specification, which] contemplates at least [a] 999 coupon data set," is also not persuasive because the claims are not limited to a large coupon data set.

results. *See Elec. Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1353–

54 (Fed. Cir. 2016) ("The advance they purport to make is a process of

gathering and analyzing information of a specified content, then displaying

the results, and not any particular assertedly inventive technology for

performing those functions.").

Regarding step two of *Alice*, Appellant argues that, "the claims recite

'significantly more' than any allegedly abstract idea [because, f]or example,

each of claims 1 and 6 recite a 'memory unit configured to store a coupon

data set including a related item code and a valid coupon number." (App.

Br. 8; Reply 3–4.) According to Appellant:

> the presently pending claims are directed to a specially
> programmed computing device that includes improvements in
> computing technology such as the embodiments of the contents
> of the claimed "memory unit" as shown in Figures 2–6, which
> illustrate the various detailed and significant features of a coupon
> data set. . . . *Thus, the contents of the claimed "memory unit"*
> *that facilitate the novel operation of the claimed point-of-sales*
> *terminal or system are directed to actual improvements in*
> *computing technology*, and therefore provide "significantly
> more" than the alleged "abstract idea." . . .

(Reply 3–4, emphasis added.) We are not persuaded by Appellant's

argument because the alleged "improvements in computer technology" is

mere attorney argument and a conclusory statement, which is unsupported

by factual evidence, and, thus is entitled to little probative value. *In re*

Geisler, 116 F.3d 1465, 1470 (Fed. Cir. 1997); *In re De Blauwe*, 736 F.2d

699, 705 (Fed. Cir. 1984). In addition, the Specification also does not

support Appellant's contention that the "the contents of the claimed

'memory unit' [] facilitate the novel operation of the claimed point-of-sales

terminal or system are directed to actual improvements in computing

technology." (Reply 4.) Figures 2 to 6 merely show "a plurality of records[,] which are assigned with serial numbers" (Figure 2), whereby each record "includes items of a 'coupon number' and a 'subject item-quantity'" (Figure 3). (Spec. 7; *see also id.* at 7–8 (discussing Figures 4 through 6).) In short, the Specification, including Figures 2 to 6, merely shows how the contents are stored in the "memory unit" and do not discuss (or support) how "the claimed point-of-sales terminal or system are directed to actual improvements in computing technology." (Reply 4.) Appellant's reliance on *Bascom Global Internet v. AT&T Mobility LLC* is also misplaced. (*Id.*) Unlike in *Bascom*, where the Federal Circuit found "an inventive concept [] in the *non-conventional and non-generic arrangement of known[] conventional pieces*," Appellant has not offered persuasive evidence that the claimed invention is a "non-conventional and non-generic arrangement of known[] conventional pieces." 827 F.3d 1341, 1350 (Fed. Cir. June 27, 2016).

For the foregoing reasons, because claims 1, 3, 5–7, 9, and 11 are directed to an abstract idea and nothing in the claims adds an inventive concept, the claims are not patent-eligible under § 101. Therefore, we sustain the 35 U.S.C. § 101 rejection of claims 1, 3, 5–7, 9, and 11.

Anticipation

With regard to claim 1, the Examiner finds that Fajkowski discloses "when the input coupon number is valid . . . the input coupon number is deleted from the result." (Final Act. 7.) Appellant contends that the Examiner erred because "Fajkowski merely discloses removing a coupon[,] which originates from coupon card 1 ([that] is provided by the customer) to replace it with the scanned-in paper coupon" and not removing the coupon

number from the search result. (App. Br. 11.) We have reviewed the portions of Fajkowski cited by the Examiner and agree with Appellant that the cited portions of Fajkowski do not disclose removing a valid coupon number from the search result.[3] For example, column 18, lines 18 to 21 state that "if the coupon is for a product for which there is already a redeemable coupon, steps 220–223 will remove the coupon[,] *which originated from coupon card 1 and substitute the scanned-in paper coupon.*" (Emphasis added.)

For the foregoing reasons, we are persuaded of Examiner error in the rejection of independent claim 1, as well as independent claim 6, which contains a similar limitation and the Examiner makes the same findings. (Final Act. 5–7.) Therefore, we do not sustain the 35 U.S.C. § 102(b) rejection of claims 1 and 6, as well as the 35 U.S.C. § 102(b) rejection of claims 3, 5, 7, 9, and 11, which depend on either claim 1 or 6.

DECISION

We affirm the decision of the Examiner to reject claims 1, 3, 5–7, 9, and 11 under 35 U.S.C. § 101. We reverse the decision of the Examiner to reject claims 1, 3, 5–7, 9, and 11 under 35 U.S.C. § 102(b).

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[3] In case of further prosecution, we leave it to the Examiner to consider whether it would have been obvious to a person of ordinary skill in the art, in view of Fajkowski, to remove the coupon number from the search result.

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