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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte WILLIAM L. HONNEF and DONALD L. ENDRES

Appeal 2016-007805¹
Application 13/243,972
Technology Center 3600

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and
ANTON W. FETTING, *Administrative Patent Judges*.

FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

¹ Appellants identify CyberSource Corporation as the real party in interest.
App. Br. 3.

STATEMENT OF THE CASE²

William L. Honnef and Donald L. Endres (Appellants) seek review under 35 U.S.C. § 134 of the Examiner’s Final rejection of claims 1–3, 5, 6, 8–19, 21, 22, 24–35, 37, 38, 40–48, and 53–59, the only claims pending in the application on appeal. Final Act. 4. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b).

The Appellants invented a way to provide electronic stored value certificates. Spec.para. 2.

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, performed by a stored value certificate computer system having one or more processors, the method comprising:
[1] receiving, by the one or more processors, data for generating a virtual value account from an issuer server, the data including
customer data identifying a customer,
initial value data identifying an initial value,
and
one or more unique online merchant group identifiers that each correspond to a specified group of online merchants;

² Our decision will make reference to the Appellants’ Appeal Brief (filed January 27, 2016, “App. Br.”) and Reply Brief (filed August 26, 2016, “Reply Br.”), and the Examiner’s Answer (mailed June 16, 2016, “Ans.”), and Final Action (mailed July 27, 2015, “Final Act.”).

[2] receiving, by the one or more processors, a request to generate the virtual value account from the issuer server;

[3] generating, by the one or more processors, the virtual value account,

the generating including binding the one or more unique online merchant group identifiers to the virtual value account,

the binding indicating that only online merchants in groups associated with one of the unique online merchant group identifiers will recognize the virtual value account;

[4] activating, by the one or more processors, the virtual value account,

the activating including associating the virtual value account with

a unique account identifier,

a unique customer identifier corresponding to the customer data,

and

an account value corresponding to the initial value;

[5] receiving, by the one or more processors, a request for an event identifier corresponding to a transaction from an online merchant server;

[6] generating, by the one or more processors, the event identifier,

the event identifier being unique and sequentially generated;

[7] sending, by the one or more processors, the event identifier to the online merchant server;

[8] receiving, by the one or more processors, a redemption request for the transaction from the online merchant server,

the redemption request including

a unique account identifier,

a unique customer identifier,

a unique online merchant identifier corresponding to an online merchant associated with the transaction and that operates the online merchant server,

and

a transaction amount;

[9] determining, by the one or more processors, whether the unique account identifier and the unique customer identifier associated with the virtual value account matches the unique account identifier and the unique customer identifier associated with the transaction;

[10] determining, by the one or more processors, whether a unique online merchant group identifier bound to the virtual value account matches a unique online merchant group identifier associated with the unique online merchant identifier included in the redemption request;

and

[11] processing, by the one or more processors, the transaction when the unique account identifiers, the unique customer identifiers, and the unique online merchant group identifiers match, the processing including updating the account value.

Claims 1–3, 5, 6, 8–19, 21, 22, 24–35, 37, 38, 40–48, and 53–59 stand rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.³

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.

³ A rejection under 35 U.S.C. § 112(b) (Final Act. 10) was withdrawn in an Advisory Action mailed Oct. 8, 2015.

ANALYSIS

The Examiner finds

Claims 1-3, 5-6, 8-19, 21-22, 24-35, 37-38, 40-48, and 53-59, as a whole, represent the abstract idea of having a third party to issue a stored value certificate (i.e. prepaid electronic voucher) for a customer to shop online with a specified/a group of online merchant, redeeming such prepaid value toward the purchase amount and updating the balance of the stored value certificate, which is considered abstract ideas (i.e. an idea itself, mathematical formula, method of organized human activities or fundamental economic practice) of basic and fundamental economic practice, because they merely reflect a prevalent business practice where issuing, redeeming, and updating the balance of the prepaid electronic voucher is well-known, conventional marketing/advertising business practice.

Final Act. 11–12.

The Examiner expands on this by determining “the claims recite a third party (i.e. ‘an issuer server’) to information and request to generate/open a virtual account, however, delegating a third party to receive information and open a virtual account on behalf of a merchant or a group of merchants is conventional and well known activities in the marketing/advertising industry. There is nothing that is sufficient to amount to significantly more than the judicial exception.” Final Act. 12.

The Examiner goes on to determine

The claim does not include additional elements that are sufficient to amount to significantly more than the judicial exception because the claims do nothing more than use a "computing system[,]" ("one or more processors" coupled with a computer readable medium[]), "issue server[,]" and "merchant server" to implement the abstract idea. The additional elements of the claims do not add a meaningful limitation to the abstract idea because they are generic computer components (processor, memory user interface to display) which perform generic

computer functions and they would be routing in any computer implementation. Therefore the combinations of elements in the claim are not sufficient to amount to significantly more than the abstract idea.

Final Act. 12.

As to the Appeal Brief arguments, we adopt the Examiner's determinations and analysis from Final Action 11–15 and Answer 3–20 and reach similar legal conclusions. We now turn to the Reply Brief arguments.

We are not persuaded by Appellants' argument that “the Examiner's inability to clearly articulate what the abstract idea is suggests that there is no abstract idea in the claims at all.” Reply Br. 3. The Examiner clearly articulated the abstract idea claim 1 is directed to as “issuing, redeeming, and updating the balance of the prepaid electronic voucher” *supra*. Final Act. 12. The Examiner expands on this in Answer 4–5, but remains consistent with this determination.

We are not persuaded by Appellants' argument that “[s]ince an abstract idea has not been identified as being similar to any existing facts in [a] court case.” Reply Br. 3–4. The instant claim 1 receives data and requests, generates and activates an account, receives, generates and sends data for an identifier, receives another request, determines whether the data match properly, and process a transaction. Thus claim 1 receives, analyzes, modifies, and transmits data. These processes are similar to the processes in the cases the Examiner cites. The Examiner's determination is also similar to that in *Electric 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*

Communications LLC Patent Litigation, 823 F.3d 607, 611 (Fed. Cir. 2016); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016). As to the data operated upon, “even if a process of collecting and analyzing information is ‘limited to particular content’ or a particular ‘source,’ that limitation does not make the collection and analysis other than abstract.” *SAP America Inc. v. InvestPic LLC*, 890 F.3d 1016, 1022 (Fed. Cir. 2018).

We are not persuaded by Appellants' argument that the claims are analogous to those in *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016). Reply Br. 4–6. The claims differ from those found patent eligible in *Enfish*, where the claims were “specifically directed to a *self-referential* table for a computer database.” *Enfish*, 822 F.3d at 1337. The claims thus were “directed to a specific improvement to the way computers operate” rather than an abstract idea implemented on a computer. *Id.* at 1336. Here, by contrast, the claims are not directed to an improvement in the way computers operate. Though the claims purport to improve the accuracy of the process of transaction validity, our reviewing court has held that speed and accuracy increases stemming from the ordinary capabilities of a general purpose computer “do[] not materially alter the patent eligibility of the claimed subject matter.” *Bancorp Services, L.L.C. v. Sun Life Assurance Co. of Canada (U.S.)*, 687 F.3d 1266, 1278 (Fed. Cir. 2012). Instead, the claims are more analogous to those in *FairWarning*, wherein claims reciting “a few possible rules to analyze audit log data” were found directed to an abstract idea because they asked “the same questions (though perhaps phrased with different words)

that humans in analogous situations detecting fraud have asked for decades.” *FairWarning*, 839 F.3d at 1094, 1095.

Appellants further argue that the asserted claims are akin to the claims found patent-eligible in *DDR Holdings, LLC v. Hotels.com, L.P.* 773 F.3d 1245 (Fed. Cir. 2014). Reply Br. 6–7. In *DDR Holdings*, the Court evaluated the eligibility of claims “address[ing] the problem of retaining website visitors that, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be instantly transported away from a host’s website after ‘clicking’ on an advertisement and activating a hyperlink.” *DDR*, 773 F.3d at 1257. There, the Court found that the claims were patent eligible because they transformed the manner in which a hyperlink typically functions to resolve a problem that had no “pre-Internet analog.” *Id.* at 1258. The Court cautioned, however, “that not all claims purporting to address Internet-centric challenges are eligible for patent.” *Id.* For example, in *DDR Holdings* the Court distinguished the patent-eligible claims at issue from claims found patent-ineligible in *Ultramercial*. See *DDR*, 773 at 1258–59 (citing *Ultramercial*, 772 F.3d 709, 715–16 (Fed. Cir. 2014)). As noted there, the *Ultramercial* claims were “directed to a specific method of advertising and content distribution that was previously unknown and never employed on the Internet before.” *Id.* at 1258 (quoting *Ultramercial*, 772 F.3d at 715–16). Nevertheless, those claims were patent ineligible because they “merely recite[d] the abstract idea of ‘offering media content in exchange for viewing an advertisement,’ along with ‘routine additional steps such as updating an activity log, requiring a

request from the consumer to view the ad, restrictions on public access, and use of the Internet.” *Id.*

Appellants’ asserted claims are analogous to claims found ineligible in *Ultramercial* and distinct from claims found eligible in *DDR Holdings*. The ineligible claims in *Ultramercial* recited “providing [a] media product for sale at an Internet website;” “restricting general public access to said media product;” “receiving from the consumer a request to view [a] sponsor message;” and “if the sponsor message is an interactive message, presenting at least one query to the consumer and allowing said consumer access to said media product after receiving a response to said at least one query.” *Ultramercial*, 772 F.3d at 712. Similarly, Appellants’ asserted claims recite receiving, analyzing, modifying, and transmitting data. This is precisely the type of Internet activity found ineligible in *Ultramercial*.

We are not persuaded by Appellants' argument that

An "inventive concept" is that which is not conventional, or one that is not present in the prior art. Thus, contrary to the Examiner's statement, the second prong of the 101 test does involve an analysis that is similar to an analysis that might be performed under 35 U.S.C. 102/103.

Reply Br. 8. “[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 Corporation*, 839 F.3d 1138, 1151 (Fed. Cir. 2016). More to the point, Appellants’ definition of an inventive concept is incomplete as the claims must recite it with some technological implementation detail to turn the concept into a concrete embodiment of that idea.

At that level of generality, the claims do no more than describe a desired function or outcome, without providing any limiting detail that confines the claim to a particular solution to an identified problem. The purely functional nature of the claim confirms that it is directed to an abstract idea, not to a concrete embodiment of that idea.

Affinity Labs of Texas, LLC v. Amazon.com Inc., 838 F.3d 1266, 1269 (2016).

CONCLUSIONS OF LAW

The rejection of claims 1–3, 5, 6, 8–19, 21, 22, 24–35, 37, 38, 40–48, and 53–59 under 35 U.S.C. § 101 as directed to non-statutory subject matter is proper.

DECISION

The rejection of claims 1–3, 5, 6, 8–19, 21, 22, 24–35, 37, 38, 40–48, and 53–59 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