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EXAMINER
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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* MIKE LINDELSEE, OLIVIER BRAND, JAMES DIMMICK and  
BENEDICTO DOMINGUEZ

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Appeal 2016-008327  
Application 13/009,177<sup>1</sup>  
Technology Center 3600

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Before BRADLEY W. BAUMEISTER, NABEEL U. KHAN, and  
KARA L. SZPONDOWSKI, *Administrative Patent Judges*.

KHAN, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Final Rejection of claims 1, 3–11, 13, 14, and 24–31. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

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<sup>1</sup> Appellants identify Visa International Service Association as the real party in interest. App. Br. 3.

## BACKGROUND

### THE INVENTION

According to Appellants, the invention relates to

A remote variable authentication processing system is disclosed. A sending entity initiates a remote payment using an alias over an initiation channel. The alias may be associated with one or more nicknames that identify portable consumer devices and metadata. The metadata describes which channels are available for authentication. The sending entity selects a nickname and an associated authentication channel. The sending entity authenticates with an issuer over the selected authentication channel.

Abstract.

Exemplary independent claim 1 is reproduced below.

1. A method comprising:

receiving, by a server computer, from a participant computer associated with a participant a first message comprising an alias and an initiation channel identifier;

determining, by the server computer, one or more consumer payment nicknames associated with the alias;

determining, by the server computer, using the initiation channel identifier, authentication channels through which authentication associated with the one or more consumer payment nicknames can be conducted;

sending, by the server computer, a second message comprising the one or more consumer payment nicknames and metadata associated with each of the one or more consumer payment nicknames to the participant computer, the metadata describing the authentication channels through which authentication associated with the one or more consumer payment nicknames can be conducted, wherein the participant computer presents the one or more consumer payment nicknames and the authentication channels to a sending entity device associated with a sending entity, and a sending entity using the

sending entity device thereafter selects a consumer payment nickname from the presented one or more consumer payment nicknames and an authentication channel from the presented authentication channels;

receiving, by the server computer, a third message comprising the selected consumer payment nickname and the selected authentication channel from the sending entity device.

#### REJECTION

Claims 1, 3–11, 13, 14, and 24–31 stand rejected under 35 U.S.C. § 101 as directed to a judicial exception to statutory subject matter. Final Act. 3.

#### DISCUSSION

Under 35 U.S.C. § 101, a patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” The Supreme Court has “long held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)). The Supreme Court in *Alice* reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289, 1300 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts.” *Alice*, 134 S. Ct. at 2355.

The first step in that analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” such as an

abstract idea. *Alice*, 134 S. Ct. at 2355. The Court acknowledged in *Mayo* that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 132 S. Ct. at 1293. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016).

If the claims are not directed to an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “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*, 132 S. Ct. at 1298, 1297).

#### *Examiner’s Findings*

Under the first step of the *Alice/Mayo* test, the Examiner finds the claims are:

directed to the abstract idea of receiving a first message comprising an alias; determining one or more consumer payment nicknames associated with the alias; determining authentication channels through which authentication associated with the one or more consumer payment nicknames can be conducted; sending, a second message comprising the one or more consumer payment nicknames and metadata associated with each of the one or more consumer payment nicknames to the participant, wherein the participant presents the one or more consumer payment nicknames and the authentication channels to a sending entity, and a sending entity that selects a consumer payment nickname from the presented one or more consumer payment nicknames and an authentication channel from the presented authentication

channels; receiving a third message comprising the selected consumer payment nickname and the selected authentication channel from the sending entity

Ans. 2.

The Examiner further finds the claims are similar to those in *Cyberfone Sys., LLC v. CNN Interactive Grp.*, 558 Fed. App'x 988 (Fed. Cir. 2014) which were directed to using categories to organize, store, and transmit information, as well as to those in *SmartGene, Inc. v. Advanced Biological Labs*, 555 Fed. App'x 950 (Fed. Cir. 2014), which were directed to comparing new and stored information and using rules to identify options.

Ans. 2.

Under the second step of *Alice/Mayo*, the Examiner finds “The method and/or system is recited at a high level of generality and only performs generic functions of manipulating information and transmitting that information to a remote subscriber computer.” Ans. 2–3. The Examiner further finds “The limitations describe a field of use that attempt to limit the abstract idea to a particular technological environment. Looking at the elements as a combination does not add anything more than the elements analyzed individually.” Ans. 3.

#### *Prima Facie Case*

Appellants argue “the Examiner failed to provide an explanation of how the alleged abstract idea of a ‘remote variable authentication process’ is similar to judicially recognized abstract ideas.” App. Br. 13. Appellants further argue “the Examiner provides no evidence to establish that a ‘remote variable authentication process’ is a ‘fundamental economic practice,’ and/or an ‘abstract idea.’ As such, the Examiner has failed to establish[] a *prima facie* case of unpatentability under 35 U.S.C. 101.” App. Br. 14; *see also*

Reply Br. 7–8 (“the Examiner simply concluded that the claims are ineligible under 35 U.S.C. 101 without clearly articulating the reasons why”).

We disagree. To the extent Appellants suggest that the July 2015 Update or May 2016 Memorandum requires particular steps be performed in specific ways to establish that a claim is directed to an abstract idea, i.e., a “prima facie” case, Appellants are mistaken. Instead, 35 U.S.C. § 132 sets forth a more general notice requirement whereby the applicant is notified of the reasons for a rejection together with such information as may be useful in judging the propriety of continuing with prosecution of the application. Our reviewing court has explained:

[A]ll that is required of the [USPTO] to meet its prima facie burden of production is to set forth the statutory basis of the rejection and the reference or references relied upon in a sufficiently articulate and informative manner as to meet the notice requirement of § 132. As the statute itself instructs, the examiner must “notify the applicant,” “stating the reasons for such rejection,” “together with such information and references as may be useful in judging the propriety of continuing prosecution of his application.” 35 U.S.C. § 132.

*In re Jung*, 637 F.3d 1356, 1363 (Fed. Cir. 2011). We have reviewed the decision to reject the claims for patent-ineligibility articulated by the Examiner (*see* Final Act. 3; Ans. 2–3) and find it meets the notice requirements of 35 U.S.C. § 132. The Examiner has set forth the statutory basis for the rejection (a judicial exception to 35 U.S.C. § 101) and explained the rejection in sufficient detail to permit Appellants to respond meaningfully.

*Step One of Alice/Mayo Test*

Appellants argue the claims are not abstract because they recite “numerous detailed limitations” (Reply Br. 3), such as

a specific, non-theoretical process for determining which authentication channel to use for authentication by determining a consumer payment nickname associated with an alias received in a first message, using that alias to determine authentication channels associated with the consumer payment nickname, sending a second message comprising the nicknames and the authentication channels to a participant (e.g., a merchant), which presents the nicknames and the authentication channels to a sending entity (e.g., a consumer), and then receiving a message including the nickname and authentication channel selected by the sending entity.

Reply Br. 3–4.

Appellants distinguish *Cyberfone* and *SmartGene* by pointing out that the claims in those cases could be performed mentally by a single human, whereas the claims in this case cannot be performed mentally because of the multiple actors involved. Reply Br. 4. Analyzing the claims in *Cyberfone* and *SmartGene*, Appellants argue they are not similar to the claims in this case and are directed to different subject matter. Reply Br. 4–6.

Appellants also argue “the claimed solution does not preempt each and every method of implementing the alleged abstract idea” and therefore is not directed to an abstract idea.<sup>2</sup> Reply Br. 9.

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<sup>2</sup> Appellants also contend the claims should be subject to streamlined analysis because the claims clearly do not preempt the entirety of the abstract idea. App. Br. 15–17. Contrary to Appellants’ argument, the streamlined patent-eligibility analysis under section 1(B)(3) of the *2014 Interim Guidance on Patent Subject Matter Eligibility* is not required to be available to Appellants; rather, it is at the Examiner’s discretion. The Examiner choosing to perform a full § 101 *Alice/Mayo* analysis is not an error. Any Examiner’s failure to follow the Director’s guidance is

We are unpersuaded by Appellants' arguments. Appellants' invention relates to authenticating remote credit card transactions. Spec. ¶¶ 2–4. The claims require receiving and sending information between three entities, a sending entity (a consumer), a participant computer (merchant's computer), and a server computer (payment processing system of a bank). Spec. ¶¶ 2, 19–21. The information being sent and received between these three entities comprises an alias, an initiation channel identifier, one or more consumer payment nicknames, and authentication channels. The Specification describes an alias as the username of the consumer, which the consumer sends to the merchant over an initiation channel, such as through SMS. Spec. ¶¶ 22, 26, 28, 30. The merchant then sends the alias to the server computer, which looks up a consumer payment nickname for a payment device (e.g. "My Red card" or "My Blue card" as nicknames for various credit cards) associated with the alias along with data regarding possible authentication channels and sends this information back to the merchant computer for presentation to the consumer. Spec. ¶¶ 22–23, 27, 33. The authentication channel is the channel through which authentication may actually be conducted and may be the same as or different than the initiation channel. Spec. ¶ 30. For example, the initiation channel may be SMS, while the authentication channel may be interactive voice response (IVR). Spec. ¶ 28.

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appealable only to the extent that the Examiner has failed to follow the statutes or case law. That is, to the extent the Director's guidance goes beyond the case law and is more restrictive on the Examiner than the case law, failure of the Examiner to follow those added restrictions is a matter for petition to the Director. We review Appellants' particular arguments against the case law and find no requirement in the law that the Examiner perform a section 1(B)(3) streamlined § 101 *Alice/Mayo* analysis.

We agree with the Examiner that the claims are, therefore, directed to an abstract idea. The claims primarily involve sending and receiving information that is either provided by the user or looked up by the server. Such claims have been found to be directed to abstract ideas. *See buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350 (Fed. Cir. 2014) (receiving and sending information does not contribute to inventive concept). *See also CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1370 (Fed. Cir. 2011) (use of Internet to verify credit-card transaction does not add enough to abstract idea of verifying the transaction). The determining steps involve identifying nicknames for credit cards and identifying possible authentication channels for the credit card transaction, without further details as to how these nicknames and authentication channels are identified or determined. The Specification describes that these determining steps occur by looking up stored information associated with the user's alias. Spec. ¶ 33. Recognizing or identifying data in stored information has also been found to be directed to an abstract idea. *Content Extraction and Transmission LLC v. Wells Fargo Bank, N.A.*, 776 F.3d 1343, 1348 (Fed. Cir. 2014); *SmartGene, Inc. v. Advanced Biological Labs.*, 555 Fed. App'x 950 (Fed. Cir. 2014).

Further, the fact that the claims do not preempt the identified abstract idea does not necessarily mean the claims are patentable because “[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). Moreover, “[w]here a patent's claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, as they are in this case, preemption concerns are fully addressed and made moot.”

*Ariosa*, 788 F.3d at 1379; *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015), cert. denied, 136 S. Ct. 701 (2015).

Thus, the Examiner did not err in finding the claims directed to an abstract idea.

*Second Step of Alice/Mayo Test*

Under the second step of *Alice/Mayo*, Appellants argue the claims recite “meaningful limitations beyond generally linking to use of the judicial exception to a particular technological environment.” App. Br. 18.

Appellants point to nearly every step of claim 1 as examples of steps that are significantly more than the abstract idea. *See* App. Br. 18–19. Appellants further argue

a generic computer is not capable of performing the steps of “receiving a first message,” “sending a second message . . . to the participant, wherein the participant presents the one or more consumer payment nicknames and the authentication channels to a sending entity, and a sending entity that selects a consumer payment nickname from the presented one or more consumer payment nicknames and an authentication channel from the presented authentication channels,” and “receiving a third message comprising the selected consumer payment nickname and the selected authentication channel from the sending entity.” The performance of such functions would require a customized computer system that was specifically programmed to perform such functions.

Reply Br. 6–7.

We are unpersuaded. As explained above, each of the steps of claim 1, which Appellants point to above, involve either sending and receiving information, or determining the information to be sent/received by looking it up, using a generic computer. Appellants have not directed our attention to any specialized computer hardware or other “inventive”

computer components are required. *See, e.g.* Spec. ¶¶ 47, 48, 102, Fig. 7. Thus, the limitations Appellants point to do not constitute significantly more than the abstract idea.

Appellants also argue the claimed invention solves a problem rooted in computer technology and thus is directed to patent eligible subject matter under *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014). App. Br. 14–15, 19.

We disagree that the claims are rooted in computer technology. For example, the claims do not seek to improve the claimed initiation and authentication channels (such as SMS, IVR etc.). Instead, these channels are used in their routine and well-understood ways. Further, using computers to send and receive information does not contribute to an inventive concept. *See buySAFE*, 765 F.3d at 1355.

Finally, Appellants, argue “the recited claim elements ‘[add] a specific limitation other than what is well-understood, routine, or conventional in the field.’ This is clear because the claims are allowable over the prior art under 35 U.S.C. § 102 and § 103.” App. Br. 19.

We note, however, that while “novelty in implementation of the idea is a *factor* to be considered . . . in the second step of the *Alice* analysis” (*Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014) (emphasis added)), “the addition of merely novel or non-routine components to the claimed idea [does not] necessarily turn[] an abstraction into something concrete” (*Ultramercial, Inc.*, 772 F.3d at 715). “Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry” (*Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2117 (2013)). “[P]atent-eligibility does not

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turn on ease of execution or obviousness of application. Those are questions that are examined under separate provisions of the Patent Act.” *Rapid Litig. Mgmt. Ltd. v. CellzDirect, Inc.*, 827 F.3d 1042, 1052 (Fed. Cir. 2016) (citing *Mayo*, 132 S. Ct. at 1304). Appellants’ argument that the claims are novel and non-obvious and therefore not directed to conventional elements is unpersuasive.

Thus, the Examiner did not err in finding the claim limitations, individually, or as an ordered combination, do not add significantly more than the abstract idea.

#### DECISION

The Examiner’s rejection of claims 1, 3–11, 13–14, and 24–31 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. § 41.50(f).

AFFIRMED