



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

Table with 5 columns: APPLICATION NO., FILING DATE, FIRST NAMED INVENTOR, ATTORNEY DOCKET NO., CONFIRMATION NO.
10/424,558 04/25/2003 Michael J. Michelsen 90945-007400US-662565 9312

20350 7590 03/19/2018
KILPATRICK TOWNSEND & STOCKTON LLP
Mailstop: IP Docketing - 22
1100 Peachtree Street
Suite 2800
Atlanta, GA 30309

EXAMINER

WINTER, JOHN M

ART UNIT PAPER NUMBER

3685

NOTIFICATION DATE DELIVERY MODE

03/19/2018

ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

ipefiling@kilpatricktownsend.com
KTSDocketing2@kilpatrick.foundationip.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MICHAEL J. MICHELSEN, PAUL BLAIR, DEAN SEIFERT,
and JOSEPH CACHEY

Appeal 2017-000301
Application 10/424,558
Technology Center 3600

Before MAHSHID D. SAADAT, ALLEN R. MacDONALD, and
JOHN P. PINKERTON, *Administrative Patent Judges*.

SAADAT, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants¹ appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1, 32, and 33. Claims 2–31 were cancelled. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ According to Appellants, the real party in interest is The Western Union Company. (App. Br. 3).

STATEMENT OF THE CASE

Appellants' invention relates to verifying the identity of persons involved in money transfers (Spec. ¶¶ 2, 18). Representative claim 1 under appeal reads as follows:

1. A computerized method of verifying the identity of an attendant operating a money transfer transaction device, authorizing their access to the money transfer transaction device by the attendant, and allowing fund transfers to be initiated by the attendant using the money transfer transaction device, the method comprising:

receiving, by a host computer system, registration information for the attendant, wherein the registration information includes information from a magnetic stripe of a credit card of the attendant, and wherein the receiving of the registration information includes displaying a stored attendant name together with a question asking the attendant if the stored attendant name is the name of the attendant, and receiving a response to the question from the attendant through an identification tool;

storing, by the host computer system information identifying a plurality of fund transfers facilitated by the attendant over a period of time;

receiving, at the money transfer transaction device, a user identification, a password, and a biometric identifier from the attendant, and storing the user identification, the password, and the biometric identifier in an identity verification database in communication with the money transfer transition device;

receiving, at the money transfer transaction device, information retrieved via a magnetic stripe reader;

receiving, at the money transfer transaction device, an indication of an amount of money a sender has requested to send to a recipient in a fund transfer;

retrieving, by the money transfer transaction device, the user identification, the password, and the biometric identifier from the identity verification database and transmitting, from the

money transfer transaction device to the host computer system, the user identification, the password, the biometric identifier, the information retrieved via the magnetic stripe reader, and the indication of the amount of money;

determining, by the host computer system, whether the user identification, the password, and the biometric identifier correspond with an authorized user;

determining, by the host computer system, whether the information retrieved via the magnetic stripe reader corresponds with the information from the magnetic stripe of the credit card received in the registration information;

determining, by the host computer system, in response to (1) a determination that the user identification, the password, and the biometric identifier correspond with the authorized user, and (2) a determination that the information retrieved via the magnetic stripe reader corresponds with the information from the magnetic stripe of the credit card received in the registration information, whether the amount of money summed with a total amount of the plurality of fund transfers facilitated by the attendant over the period of time, is less than a predetermined that the attendant is not allowed to exceed over the period of time; and

processing, by the host computer system, the fund transfer in response to a determination that the total amount is less than the predetermined threshold.

REFERENCES and REJECTIONS

Claims 1, 32, and 33 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter (*see* Final Act. 3).

Claims 1, 32, and 33 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Joseph (US 6,883,709 B2; issued Apr. 26, 2005) (“Joseph”), Ashe et al. (US 2003/0197782 A1; published Oct. 23, 2003) (“Ashe”), Brody et al. (US 5,350,906; issued Sept. 27, 1994) (“Brody”),

Korosec (US 7,433,826 B2; issued Oct. 7, 2008) (“Korosec”), and Paulsen et al. (US 2003/0054868 A1; published Mar. 20, 2003) (“Paulsen”) (*see* Final Act. 4–8).

PRINCIPLES OF LAW

Patent-Eligible Subject Matter

The Supreme Court has set forth “a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts” (*Alice Corp. Pty. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Services v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1294 (2012))). According to this framework, a determination is made to consider whether the claims at issue are directed to one of those concepts (i.e., laws of nature, natural phenomena, and abstract ideas) (*see id.*). If so, a further determination must be made to 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 (*id.*).

Obviousness

The Supreme Court has rejected the rigid requirement of demonstrating a teaching, suggestion, or motivation in the references to show obviousness (*see KSR Int’l Co., v. Teleflex Co.*, 550 U.S. 398, 415–16 (2007); *see also In re Ethicon, Inc.*, 844 F.3d 1344, 1350 (Fed. Cir. 2017) (“*KSR* directs that an explicit teaching, suggestion, or motivation in the references is not necessary to support a conclusion of obviousness.”)). In determining whether a claimed invention is obvious in light of a cited prior

art reference, a prior art reference is analogous to an application if: (1) it is from the same field of endeavor as the application, regardless of the problem addressed, or (2) if the reference is not within the field of the inventor's endeavor, it is nonetheless reasonably pertinent to the particular problem with which the inventor is involved (*In re Bigio*, 381 F.3d 1320, 1325 (Fed. Cir. 2004)). As indicated, these tests are in the alternative, i.e., a finding of either is sufficient (*see In re Oetiker*, 977 F.2d 1443, 1447 (Fed. Cir. 1992)). Further, one cannot show non-obviousness by attacking references individually when the rejection is based on a combination of references (*see In re Merck & Co., Inc.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986); *see also In re Keller*, 642 F.2d 413, 425 (CCPA 1981)).

ANALYSIS

We have reviewed the Examiner's rejections in light of Appellants' arguments (Appeal Brief and Reply Brief) that the Examiner has erred. We are unpersuaded by Appellants' contentions and concur with the findings and conclusions reached by the Examiner as explained below.

Rejection Under 35 U.S.C. § 101

Independent claims 1, 32, and 33 recite computerized methods of verifying an identity of an attendant operating a money transfer transaction device, authorizing the attendant's access to the money transfer transaction device, and allowing fund transfers to be initiated by the attendant using the money transfer transaction device, and are, therefore, directed to one of the four statutory categories of patentability enumerated by 35 U.S.C. § 101 (process, machine, manufacture, or composition of matter). Applying the

first part of the *Alice* analysis, the Examiner finds the claims are directed to the abstract idea of authorizing an attendant to make a financial transaction and transferring a monetary value via the authorized attendant (*see* Final Act. 3; *see also* Ans. 2). Applying the second part of the *Alice* analysis, the Examiner finds the additional elements or combination of elements in the claim other than the abstract idea itself amount to no more than conventional computer functions (e.g., storing and retrieving information) (*see* Final Act. 3; *see also* Ans. 2).

Beginning with the first step of the *Alice* analysis, we must determine “whether the claims at issue are directed to one of those patent-ineligible concepts,” including abstract ideas (*Alice*, 134 S. Ct. at 2355). In performing this determination, we ask whether the focus of the claims is on a specific asserted improvement in computer capabilities or, instead, on a process that qualifies as an “abstract idea” for which computers are invoked merely as a tool (*Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016) (citing *Alice*, 134 S. Ct. at 2358–59)).

Here, Appellants argue it is not enough that a claim merely involve, relate to, or recite an abstract idea; instead, the claim must be directed to the abstract idea (*see* App. Br. 10). According to Appellants, the claims are not directed to an abstract idea, because the claims recite far more than the alleged abstract idea of transferring a monetary value via an authorized attendant (*see* App. Br. 11–12; *see also* Reply Br. 2–3).

We are not persuaded by Appellants’ arguments. Considering the recited elements of the claims in light of Appellants’ Specification, we agree with the Examiner’s finding that the claims are directed to an abstract idea of verifying an identity of an attendant and authorizing the attendant to execute

a fund transfer using a money transfer transaction device (*see* Final Act. 3; *see also* Ans. 3). In particular, we find the claim elements recite steps for receiving and storing information, making various determinations based on the received information, and ultimately processing a funds transfer based on the received information. Based on the recited elements, the claims are directed to data comparison, which is an idea of itself and which is similar to abstract ideas previously identified by the courts. *See e.g., Elec. Power Grp LLC v. Alstom S.A.*, 830 F.3d 1350, 1353–54 (Fed. Cir. 2016) (holding that claims involving collecting and analyzing information and displaying results of the collection and analysis are drawn to an unpatentable abstract idea).

Appellants’ argument that the Examiner misapplied the *Alice* analysis because the Examiner determined that the claim merely recites an idea, as opposed to being “directed to” an idea is not persuasive. As discussed above, the claims are similar to claims that the courts have previously identified as being directed to abstract ideas (*see Elec. Power Grp*, 830 F.3d at 1353–54). Thus, the Examiner did not err in finding that the claims are directed to an abstract idea.

In the Reply Brief, Appellants argue, for the first time, that claims 32 and 33 include different and additional features from those recited in claim 1, and that none of the features are mentioned within the Final Office Action or the Examiner’s Answer in relation to analyzing whether the claims recite an abstract idea (*see* Reply Br. 3). This argument is entitled to no consideration because it was not presented for the first time in the opening brief, and Appellants have not shown good cause why it should be considered, as required by our procedural rule (*see* 37 C.F.R. § 41.41(b)(2) (2012); *Optivus Technology, Inc. v. Ion Beam Applications S.A.*, 469 F.3d

978, 989 (Fed. Cir. 2006) (argument raised for the first time in the reply brief that could have been raised in the opening brief is waived); *accord Ex parte Borden*, 93 USPQ2d 1473, 1473–74 (BPAI 2010) (informative opinion) (absent a showing of good cause, the Board is not required to address an argument newly presented in the reply brief that could have been presented in the principal brief on appeal)).

We note that even if the argument was entitled to consideration, we would not find the argument persuasive. This is because, even though claims 32 and 33 recite features that are slightly different from the features recited in claim 1, claims 32 and 33 are also directed to an abstract idea of verifying an identity of an attendant and authorizing the attendant to execute a fund transfer using a money transfer transaction device. Appellants’ argument does not identify the “different and additional features” of claims 32 and 33 that transform the claims into patent-eligible subject matter, and thus, would not be persuasive of Examiner error.

Because we conclude that the claims are directed to an abstract idea, we turn to the next step of the *Alice* analysis. In step two, as previously discussed, we 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” (*Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 566 U.S. at 78)).

Here, Appellants argue, even assuming *arguendo* that the claims are directed to an abstract idea, the claims recite additional details that render them patent-eligible (*see* App. Br. 12–13). According to Appellants, the claimed methods are not performed on generic computers as alleged, and, to the contrary, require particular and specialized hardware devices to

implement the recited methods (*see* App. Br. 13). More specifically, according to Appellants, claim 1 requires the use of specialized hardware, such as a “magnetic stripe reader,” an “identity verification database,” and a “money transfer transaction device,” and thus, the claims are similar to the claims at issue in *SiRF Technology, Inc. v. International Trade Commission*, 601 F.3d 1319, 1333 (Fed. Cir. 2010), which were held to be patent-eligible (*see* Reply Br. 4). Appellants additionally argue that the claimed methods cannot be performed mentally or with pencil or paper, and, instead, the claims recite specific techniques for device access and device security and are necessarily rooted in computer technology to overcome a problem specifically arising in the fields of device access and security, similar to the claims at issue in *DDR Holdings, LLC v. Hotels.com*, 773 F.3d 1245, 1257 (Fed. Cir. 2014), which were also held to be patent-eligible (*see* App. Br. 14–15; *see also* Reply Br. 4).

We are not persuaded that the Examiner erred. Considering the recited elements of the claims in light of Appellants’ Specification, we agree with the Examiner’s findings that the claims merely recite generic computer components (e.g., “host computer system” and “money transfer transaction device”) and generic computer functions performed by the generic computer components (e.g., receiving and storing information, making various determinations based on the received information, and ultimately processing a funds transfer based on the received information) which are well-understood, routine and conventional activities which amount to no more than implementing the abstract idea on a computer (*see* Final Act. 3; *see also* Ans. 4). Therefore, considering the elements of the claims both individually and in combination, we conclude there are no additional elements that

transform the nature of the claims into a patent-eligible application (*see Alice*, 134 S. Ct. at 2355).

We have considered Appellants' arguments, but we conclude Appellants have not provided persuasive evidence or arguments that the combination of claim elements improves the functionality of a computer or any other technology, or otherwise transforms the nature of the claims into something significantly more than the aforementioned abstract idea. In particular, we disagree with Appellants' argument that the claims require particular and specialized hardware devices to implement the recited methods, and thus, we disagree that the claims are similar to claims at issue in *SiRF*. Instead, as previously discussed, we find that the claims merely recite generic computer components. For example, with respect to "host computer system," "identity verification database," or "money transfer transaction device," Appellants do not provide, or cite to Appellants' specification for, any specific definition that distinguishes the aforementioned elements from generic computer components. Further, with respect to "magnetic stripe reader," none of the recited steps of the claims are actually performed by the recited "magnetic stripe reader." Instead, the recited "money transfer transaction device" and "host computer system" merely receive information retrieved via the recited "magnetic stripe reader." Thus, we find the recitation of "magnetic stripe reader" is not sufficient to transform the claims into something significantly more than an abstract idea.

We also disagree with Appellants' argument that the claims are similar to the claims in *DDR* because the claims are necessarily rooted in computer technology to overcome a problem specifically arising in the fields

of device access and security. Instead, we find the claims recite a process implemented on a generic computer, where the process attempts to overcome a problem (i.e., verifying that a transaction is authorized and is not being used for an illegal or unethical purpose) that arises in business contexts and do not necessarily involve computer technology (*see e.g.*, Spec. ¶¶ 2–3).

Appellants additionally argue the claims do not preempt any fundamental business practice or abstract idea, and are therefore patent-eligible (*see App. Br. 12*). This argument is not persuasive either, as the Federal Circuit has made clear that “the absence of complete preemption does not demonstrate patent eligibility” of a claim (*Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)).

Therefore, we are not persuaded the Examiner erred in finding claims 1, 32, and 33 reciting patent-ineligible subject matter. Accordingly, we sustain the rejection of claims 1, 32, and 33 under 35 U.S.C. § 101.

Rejection Under 35 U.S.C. § 103(a)

The Examiner finds that the combination of Joseph, Ashe, Brody, Korosec, and Paulsen teaches or suggests all of the recited elements of independent claims 1, 32, and 33 (*see Final Act. 4–8*). Relevant to the present appeal, the Examiner specifically finds: Joseph teaches receiving, at a money transfer transaction device, a user identification, a password, and a biometric identifier from an attendant (*see Final Act. 4* (citing Joseph 6:63–65; 7:58–67; 8:1–23; Abstract; Fig. 3)); Korosec teaches receiving, by a host computer system, registration information for an attendant, the registration information including information from a magnetic stripe of a credit card of

the attendant (*see* Final Act. 7 (citing Korosec 3:53–60; 4:30–39)); and Paulsen teaches displaying a stored attendant name together with a question asking the attendant if the stored attendant name is the name of the attendant, and receiving a response to the question from the attendant through an identification tool (*see* Final Act. 7 (citing Paulsen ¶ 50)).

Appellants contend Paulsen fails to teach or suggest “wherein the receiving of the registration information includes displaying a stored attendant name together with a question asking the attendant if the stored attendant name is the name of the attendant, and receiving a response to the question from the attendant through an identification tool,” as recited in claims 1 and 33, and allegedly recited in claim 32 (*see* App. Br. 16–17; *see also* Reply Br. 5). More specifically, Appellants argue Paulsen merely discloses a touch screen display that displays a game player’s name and further displays a message requesting the game player to validate his or her identity by entering an identification code using an alpha-numeric key pad displayed on the touch screen display (*see* App. Br. 16). According to Appellants, Paulsen fails to even mention: (1) receiving registration information; (2) displaying a stored attendant name together with a question asking the attendant if the stored attendant name is the name of the attendant; or (3) receiving a response to the question from the attendant through an identification tool (*see* App. Br. 16–17).

We are not persuaded by Appellants’ contention. As a threshold matter, claim 32 fails to recite “wherein the receiving of the registration information includes displaying a stored attendant name together with a question asking the attendant if the stored attendant name is the name of the attendant, and receiving a response to the question from the attendant

through an identification tool.” Thus, Appellants’ argument does not apply to claim 32.

With respect to claims 1 and 33, we agree with the Examiner that: Joseph teaches receiving registration information from an attendant (*see* Joseph 8:1–23); Korosec teaches registration information including information from a magnetic stripe of a credit card (*see* Korosec 3:53–60; 4:30–39); and, Paulsen teaches displaying a game player’s name on a touch screen display along with a message requesting the game player to validate his or her identity by entering an identification code (*see* Paulsen ¶ 50). Appellants’ argument criticizing Paulsen for failing to teach or suggest the aforementioned element of claims 1 and 33 fails to address the Examiner’s finding that the combination of Joseph, Korosec, and Paulsen teaches the aforementioned element, and thus, is not persuasive.

Appellants also argue one of ordinary skill in the art would not combine Joseph, Ashe, Brody, Korosec, and Paulsen to obtain the claimed invention because Paulsen is so far afield of the claimed invention (*see* App. Br. 16). This argument is also not persuasive. As described in Appellants’ specification, identity verification is an important aspect to a money transfer process (*see e.g.*, Spec. ¶ 16). As previously described, Paulsen describes verifying an identity of a game player (*see* Paulsen ¶ 50). Thus, we find Paulsen is reasonable pertinent to the particular problem (i.e., identity verification) with which the claimed invention is involved, and, accordingly, Paulsen is analogous art.

Therefore, we are not persuaded that the Examiner erred in finding claims 1, 32, and 33 unpatentable in light of the cited prior art references.

Appeal 2017-000301
Application 10/424,558

Accordingly, we sustain the rejection of claims 1, 32, and 33 under 35 U.S.C. § 103(a).

DECISION

We affirm the Examiner's rejection of claims 1, 32, and 33 under 35 U.S.C. § 101.

We affirm the Examiner's rejection of claims 1, 32, and 33 under 35 U.S.C. § 103(a).

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