



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.
12/435.195 05/04/2009 Mark Carlson 79900-758826(044400US) 2831

66945 7590 09/26/2018
KILPATRICK TOWNSEND & STOCKTON LLP/VISA
Mailstop: IP Docketing - 22
1100 Peachtree Street
Suite 2800
Atlanta, GA 30309

EXAMINER

CHANG, EDWARD

ART UNIT PAPER NUMBER

3696

NOTIFICATION DATE DELIVERY MODE

09/26/2018

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 MARK CARLSON

Appeal 2017-000482¹
Application 12/435,195²
Technology Center 3600

Before ANTON W. FETTING, MATTHEW S. MEYERS, and
ROBERT J. SILVERMAN, *Administrative Patent Judges*.

MEYERS, *Administrative Patent Judge*.

DECISION ON APPEAL
STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1, 2, 5–8, 10–14, 16–19, 21–25, and 27. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our Decision references Appellant's Appeal Brief ("Appeal Br.," filed February 29, 2016) and Reply Brief ("Reply Br.," filed October 7, 2016), the Examiner's Answer ("Ans.," mailed August 8, 2016), and Final Office Action ("Final Act.," mailed July 30, 2015).

² Appellant identifies Visa International Service Association as the real party in interest (Appeal Br. 3).

CLAIMED INVENTION

Appellant's claims relate generally to "an alert message [that] can be sent to a consumer's phone indicating that a transaction has taken place using the user's portable consumer device" (Spec. ¶ 5).

Claims 1, 6, 11, and 16 are the independent claims on appeal. Claim 1, reproduced below with minor formatting changes and added bracketed notations, is illustrative of the subject matter on appeal:

1. 1. A server computer in transaction processing network, the server computer comprising:

[a] a processor; and

[b] a computer readable medium coupled to the processor, wherein the computer readable medium comprises code executable by the processor, for implementing a method comprising[:]

[c] receiving an authorization request message at a server computer, wherein the authorization request message is associated with a transaction conducted by a consumer with a merchant using an account;

[d] sending the authorization request message to an issuer of the account;

[e] receiving an authorization response message from the issuer authorizing the transaction;

[f] using the server computer, sending a transaction alert message to a consumer device, wherein the transaction alert message includes information identifying the transaction;

[g] using the server computer, sending the authorization response message received from the issuer authorizing the transaction to the merchant, the authorization response message initiating a fulfillment process to fulfill the transaction before receiving an alert response message for the transaction alert message;

[h] receiving the alert response message at the server computer from the consumer device indicating that the

transaction is not authorized, after the authorization response message is received from the issuer;

[i] using the server computer, sending a termination message to the merchant in response to receiving the alert response message; and

[j] receiving a chargeback message from the merchant at the server computer after sending the termination message.

REJECTION

Claims 1, 2, 5–8, 10–14, 16–19, 21–25, and 27 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

ANALYSIS

Independent claims 1, 6, 11, and 16 and dependent claims 2, 5, 7, 8, 10, 12–14, 17–19, 21–25, and 27

Appellant argues claims 1, 2, 5–8, 10, 21, 22, and 27 as a group (see Appeal Br. 8, 15). We select independent claim 1 as representative. Claims 2, 5–8, 10–14, 16–19, 21–25, and 27 stand or fall with independent claim 1. See 37 C.F.R. § 41.37(c)(1)(iv).

The Supreme Court in *Alice* reiterated the two-step framework, set forth previously in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66, 78–79 (2012), “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. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014). The first step in that analysis is to “determine whether the claims at issue are *directed to* one of those patent-ineligible concepts.” *Id.* (citing *Mayo*, 566 U.S. at 79) (emphasis added). If so, the second step 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 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*, 566 U.S. at 71. 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, 1336 (Fed. Cir. 2016).

Appellant argues that the Examiner’s rejection is in error because the Examiner fails establish a prima facie case of subject matter ineligibility (*see* Appeal Br. 8–12; *see also* Reply Br. 2–3). More particularly, Appellant argues that, “the Examiner’s characterization of the claims as simply managing relationships or transactions oversimplifies the claims and ignores the problem being addressed by the claims” (Reply Br. 2–3). Appellant’s arguments are not persuasive.

In rejecting the pending claims under 35 U.S.C. § 101, the Examiner analyzes the claims using the *Mayo/Alice* two-step framework (Final Act. 2–6; Ans. 3–5). Here, the Examiner maintains the claims are directed to “a method of organizing human activities” (Final Act. 4). The Examiner also

characterizes the claims as being directed to “using [a] series of message/alert exchanges[] for transaction authentication and authorization” (Ans. 4) (emphasis omitted). And, looking to the language of the claims, the Examiner further determines

all the steps in the claims are directed to a series of behavioral activities including e.g. receiving an authorization request message. . . , sending the authorization request message. . . , receiving an authorization response message. . . , sending a transaction alert message . . . authorization response message . . . , initiating a fulfillment process. . . , receiving the alert response message . . . , sending a termination message . . . , and receiving a chargeback message . . . , which, when viewed individually and in combination, constitute an abstract idea of certain methods of organizing human activity. These particular behaviors are “interpersonal activities” of “managing relationships or transactions between people, social activities, or behaviors,” “satisfying or avoiding a legal obligation,” and “advertising, marketing, and sales activities or behaviors,” which are subcategories of activities that the precedential courts have found to be abstract idea under “certain methods of organizing human activity.”

(Ans. 3–4 (emphasis omitted); *see also* Final Act. 5). The Examiner cites abstract ideas from previous judicial decisions and compares the present idea to the abstract ideas in those decisions (*see* Final Act. 3; *see also* Ans. 4). The Examiner also determines that the additional elements of the claims, taken alone and as an ordered combination, do not ensure that the claims amount to significantly more than the abstract idea (*see* Final Act. 5; *see also* Ans. 5). The Examiner, thus, has clearly followed the two-part framework specified by the Supreme Court in *Mayo/Alice* consistent with Office guidelines.

In this regard, the Examiner has articulated the reasons for the rejection and has notified Appellant of the reasons for the rejection “together

with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” 35 U.S.C. § 132. And we find that, in doing so, the Examiner sets forth a prima facie case of subject matter ineligibility. *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011); *Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990) (Section 132 “is violated when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection”). Further, there is no such requirement that Examiners must provide evidentiary or documentary support in every case before a conclusion can be made that a claim is directed to an abstract idea.³

Evidence may be helpful in certain situations where, for instance, facts are in dispute. But it is not always necessary. It is not necessary in this case.

Although Appellant cites to the Board decisions in *PNC Bank v. Secure Access, LLC*, Case CBM2014-00100, 2014 WL 4537440 (PTAB Sept. 9, 2014) (Paper 10) and *Ex parte Renald Poisson*, Appeal 2012-011084 (PTAB Feb. 27, 2015), Appellant does not direct attention to, nor do we find, any statement that requires the Examiner to identify specific references or documentation to support a finding that a claim is directed to an abstract idea.⁴

³ *See, e.g.*, MPEP § 2106.07(a)(III) (2018) (“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. . . . Thus, the court does not require ‘evidence’ that a claimed concept is a judicial exception, and generally decides the legal conclusion of eligibility without resolving any factual issues” (internal citations omitted)).

⁴ We would not be bound, in any event, by a non-precedential decision of the Board.

We also agree with the Examiner that under step one of the framework set forth in *Mayo/Alice*, the claimed invention is directed broadly to “a method of organizing human activities” (Final Act. 4), as well as directed to a “process (using series of message/alert exchanges) for transaction authentication and authorization[.]” (Ans. 4) (emphasis omitted), and similar to certain methods of organizing human activities that our reviewing court has found patent ineligible, such as “unpatentable mental processes” including “steps [that] can be performed in the human mind, or by a human using a pen and paper” in *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372–73 (Fed. Cir. 2011), and the concept of collecting information, analyzing it, and displaying certain results of the collection and analysis in *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350 (Fed. Cir. 2016).

In making this determination, we note that the present invention is described as being directed to “methods for improved transactions” (Spec. ¶ 5). According to the Specification, “[c]redit card fraud is a major problem for payment entities” (*id.* ¶ 2) and “[i]n the past, schemes have been proposed by which a user is asked to authenticate transactions” (*id.* ¶ 3). The problem with past schemes, however, is that “they can significantly increase the time delay between when an order is placed by the consumer and when the order is fulfilled” (*id.*). To address this drawback, the present invention discloses

an alert message can be sent to a consumer’s phone indicating that a transaction has taken place using the user’s portable consumer device. The user may directly respond to the alert message indicating that the transaction is authorized or not authorized by the consumer. If it is not authorized, the user’s response to the alert message may be used to automatically

initiate a chargeback process after the transaction was otherwise authorized by an issuer associated with the portable consumer device.

(*Id.* ¶ 5). And, taking independent claim 1 as representative, the claimed subject matter is generally directed to “receiving an authorization request,” “sending the authorization request message to an issuer,” “receiving an authorization response message from the issuer authorizing the transaction,” “sending a transaction alert message to a consumer device,” “sending the authorization response message received from the issuer authorizing the transaction to the merchant . . . initiating a fulfillment process to fulfill the transaction before receiving an alert response message for the transaction alert message,” “receiving the alert response message . . . indicating that the transaction is not authorized, after the authorization response message is received from the issuer,” “sending a termination message to the merchant in response to receiving the alert response message,” and “receiving a chargeback message from the merchant.” Thus, independent claim 1 involves nothing more than sending, receiving, and analyzing data of a specific content and/or from a specific source, from one place to another, without any particular inventive technology — an abstract idea. *See Electric Power*, 830 F.3d at 1354. Claim 1, unlike the claims found non-abstract in prior cases, uses generic computer technology to send, receive, and analyze data and does not recite an improvement to a particular computer technology. *See, e.g., McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314–15 (Fed. Cir. 2016) (finding claims not abstract because they “focused on a specific asserted improvement in computer animation”).

Turning to the second step of the *Mayo/Alice* framework, rather than reciting additional elements that amount to “significantly more” than the

abstract idea, exemplary independent claim 1, at best, adds only a “processor, memory, display, and data communication system [that] are used to process the data and transmit and receive data” (Final Act. 5), which does not satisfy the inventive concept. The Specification discloses that the “consumer device” may be “a computer terminal, television, personal or laptop computer” (Spec. ¶ 19), the “server computer **44(a)** may comprise a processor; and a computer readable medium coupled to the processor” (*id.* ¶ 23), and “a payment processing network **26**, which may include a server computer **26(a)**” that “can be a large mainframe, a minicomputer cluster, or a group of servers functioning as a unit” (*id.* ¶ 27). Thus, we agree with the Examiner that exemplary independent claim 1 does not include additional elements alone or in combination that are sufficient to amount to significantly more than the abstract idea. *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (internal quotation marks omitted) (“[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible. . . . The bare fact that a computer exists in the physical rather than purely conceptual realm ‘is beside the point’”) (internal citation omitted).

And, similar to *Electric Power*, we are not apprised of anything other than off-the-shelf, conventional computer technology for sending, receiving, and analyzing data. For example, the Specification merely discloses

[t]he [merchant] server computer **44(a)** may comprise a processor; and a computer readable medium coupled to the processor, wherein the computer readable medium comprises code executable by the processor, the computer readable medium comprising (i) code for sending an authorization request message associated with a transaction, (ii) code for receiving an

authorization response message approving the transaction, (iii) code for receiving a termination message after receiving the authorization response message, (iv) code for initiating a termination process for the transaction, and (v) code for sending a chargeback message.

(Spec. ¶ 23). In a similar manner, the Specification discloses

The [payment processing network] server computer **26(a)** may comprise a processor; and a computer readable medium coupled to the processor, wherein the computer readable medium comprises code executable by the processor, the computer readable medium comprising (i) code for receiving an authorization request message, wherein the authorization request message is associated with a transaction, (ii) code for sending an authorization response message authorizing the transaction, (iii) code for sending a transaction alert message to a consumer device, wherein the transaction alert message includes information identifying the transaction, (iv) code for receiving an alert response message indicating that the transaction is not authorized, (v) code for sending a termination message, and (vi) code for receiving a chargeback message after sending the termination message.

(*Id.* ¶ 27). As the court explained in *Electric Power*, “merely selecting information, by content or source, for collection, analysis, and display does nothing significant to differentiate a process from ordinary mental processes, whose implicit exclusion from § 101 undergirds the information-based category of abstract ideas.” *Elec. Power Grp.*, 830 F.3d at 1355. Here, as the Examiner points out, the steps of independent claim 1 are all “steps that can be performed by a human being using a generic processor and a user interface” (Final Act. 2). Thus, the steps recited by independent claim 1 amount to nothing more than mere instructions to implement the abstract idea on a computer—none of which add inventiveness because they merely require the application of conventional, well-known analytical steps. *See*

Ultramercial, Inc. v. Hulu, LLC, 772 F.3d 709, 716 (Fed. Cir. 2014) (“[T]he claimed sequence of steps comprises only ‘conventional steps, specified at a high level of generality,’ which is insufficient to supply an ‘inventive concept’”) (citing *Alice*, 134 S. Ct. at 2357) (internal citations omitted).

In response, Appellant argues

[i]n contrast to such conventional techniques, the claims utilize the authorization response message from the issuer to initiate the fulfillment process without waiting for an alert response message from the user’s communication device. This is neither routine nor conventional at the time of filing of the present case, and the Examiner has not provided any documentary support to establish the contrary.

(Appeal Br. 15; *see also* Reply Br. 4–5). However, Appellant does not adequately show how the claimed steps are technically done such that they are not routine, conventional functions of a generic computer. *See Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (“Rather, the ‘interactive interface’ simply describes a generic web server with attendant software, tasked with providing web pages to and communicating with the user’s computer”). As discussed above, there is no indication in the record that any specialized computer hardware is required or evidence that the programming related to the limitations of independent claim 1 entail anything atypical from conventional programming. Instead, the Specification discloses utilizing conventional computer components to perform generic computer limitations (*see* Spec. ¶¶ 17–29). And it is well-settled that “merely recit[ing] the abstract idea . . . with the requirement to perform it on the Internet, or to perform it on a set of generic computer components . . . would not contain an inventive concept.”

See BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC, 827 F.3d 1341, 1350 (Fed. Cir. 2016).

And, considered as an ordered combination, the computer components of Appellant’s independent claim 1 add nothing that is not already present when the limitations are considered separately. Viewed as a whole, Appellant’s claims simply recite the concept “using [a] series of message/alert exchanges[] for transaction authentication and authorization” (Ans. 4) (emphasis omitted) using a computer. The claims do not, for example, purport to improve the functioning of the computer itself. Nor do they effect an improvement in any other technology or technical field. Instead, the claims at issue amount to nothing significantly more than an instruction to apply the abstract idea of “using [a] series of message/alert exchanges[] for transaction authentication and authorization” (Ans. 4) (emphasis omitted), which under our precedents, is not enough to transform an abstract idea into a patent-eligible invention. *See Alice*, 134 S. Ct. at 2360.

Appellant further argues that present claim is similar to the hypothetical, patent-eligible claim 2 in Example 21 (*see* Appeal Br. 13–14 (citing JULY 2015 UPDATE APPENDIX 1: EXAMPLES, Ex. 21) (hereinafter “JULY 2015 UPDATE”); *see also* Reply Br. 2–4), because the present “claims address the Internet-centric challenge of initiating a fulfillment process in a card-not-present transaction (e.g., an Internet transaction) when a user’s communication device is offline and cannot immediately receive or response to an alert message” (Appeal Br. 14; *see also* Reply Br. 2). We cannot agree.

Appellant's argument is at least not persuasive because the steps of independent claim 1 do not necessarily occur in a "card-not-present transaction." That is, claim 2, which depends on claim 1, further recites "[t]he server computer of claim 1 wherein the transaction is a card not present type of transaction." Nevertheless, hypothetical claim 2 recites a series of steps for distributing stock quotes to selected remote devices that amount to "comparing and organizing data," which is a concept similar to mental processes and other concepts that courts have found to be abstract under step one (*see* JULY 2015 UPDATE 4). However, similar to the claims in *DDR Holdings*, claim 2 of Example 21 was deemed patent-eligible because the claimed invention "addresses the Internet-centric challenge of alerting a subscriber with time sensitive information when the subscriber's computer is offline" by "transmitting the alert over a wireless communication channel to activate the stock viewer application, which causes the alert to display[,] and enables the connection of the remote subscriber computer to the data source over the Internet when the remote subscriber computer comes online" (*id.*). Here, we find no analogous limitation is recited in Appellant's claim 1. Unlike hypothetical claim 2, Appellant's claim 1 does not cause the consumer device to activate some application and enable a connection.

In view of the foregoing, we sustain the Examiner's rejection under 35 U.S.C. § 101 of independent claim 1, and claims 2, 5–8, 10–14, 16–19, 21–25, and 27, which fall with independent claim 1.

Appeal 2017-000482
Application 12/435,195

DECISION

The Examiner's rejection of claims 1, 2, 5–8, 10–14, 16–19, 21–25, and 27 under 35 U.S.C. § 101 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)(1)(iv).

AFFIRMED