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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte WILLIAM SCHAICH

Appeal 2017-000954
Application 12/868,528¹
Technology Center 3600

Before: ALLEN R. MacDONALD, JEREMY J. CURCURI, and
PHILLIP A. BENNETT, *Administrative Patent Judges*.

BENNETT, *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 46–64. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ Appellant's Brief ("App. Br.") identifies Deluxe Corporation as the real party in interest. App. Br. 2.

CLAIMED SUBJECT MATTER

The claims are directed to a system for managing and reporting financial account activity. Spec., Title. More specifically, the claims relate to a computer system designed to gather information from various sources regarding a check printing order, and provide secure notifications to a subscriber regarding the order in order to prevent fraudulent transactions. Spec. 4, ll. 1–14. Claim 46, reproduced below, is illustrative of the claimed subject matter:

46. A system for communicating to a paper check order facility, a checking account information database, and a credit bureau and reporting financial activity to a subscriber, the system comprising:

a messaging facility residing at one or more locations and implemented using a computing network capable of communicating with a plurality of information sources at different locations and including a processor, the messaging facility configured to download paper check order information from the paper check order facility via secure connection using the processor, query checking account information from the checking account information database using the processor, receive credit account information from the credit bureau using secure access using the processor, and provide encrypted electronic notifications to the subscriber via the Internet with secure communication interfaces using the processor based on the paper check order information, the checking account information, the credit account information, and notification preferences for the subscriber, the notifications giving the subscriber information as to check printing orders to avoid fraudulent procurement of checks and accidental issuance of improperly prepared checks, the messaging facility including a notification preference database configured to store the notification preferences for the subscriber including instructions from the subscriber.

App. Br. 13 (Claims Appendix).

REJECTIONS

Claims 46–64 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter.

ANALYSIS

We have reviewed the Examiner’s rejections in light of Appellant’s arguments set forth in the Appeal Brief and the Reply Brief. We are not persuaded by Appellant’s arguments. We adopt as our own (1) the findings and reasons set forth by the Examiner in the action from which this appeal is taken (Final Act. 2–6) and (2) the findings, reasons, and explanations set forth by the Examiner in the Examiner’s Answer in response to Appellant’s Brief (Ans. 3–5) and concur with the conclusions reached by the Examiner. We highlight the following for emphasis.

Legal Standard for Patent Eligibility

In issues involving subject matter eligibility, our inquiry focuses on whether the claims satisfy the two-step test set forth by the Supreme Court in *Alice Corp. v. CLS Bank Int’l.*, 134 S.Ct. 2347 (2014). The Supreme Court instructs us to “first determine whether the claims at issue are directed to a patent-ineligible concept,” *Alice*, 134 S. Ct. at 2355, and, in this case, the inquiry centers on whether the claims are directed to an abstract idea. If the initial threshold is met, we then move to the second step, in which we “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.* (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 79, 78 (2012)). The Supreme Court describes the second step as a 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.* (quoting *Mayo*, 566 U.S. at 72–73).

The Examiner’s Eligibility Analysis Under § 101

In rejecting the claims under 35 U.S.C. § 101, the Examiner determines the claims are directed to an abstract idea. More specifically, the Examiner finds Appellant’s claims are directed to:

[C]ommunicating to a paper check order facility, a checking account information database, and a credit bureau and reporting financial activity to a subscriber, receive download paper check order information from the paper check order facility receive checking account information from the checking account, credit account information from the credit bureau and notification preferences for the subscriber, as to check printing orders to avoid fraudulent procurement of checks and accidental issuance of improperly prepared checks.

Final Act. 5. The Examiner further determines “the claims as a whole, no element or combination of elements in the claims are sufficient to ensure that the claims amount to significantly more than the abstract idea itself”, explaining as follows:

Indeed, the claims fail to recite any improvements to another technology or technical field, improvements to the functioning of the computer itself, and/or meaningful limitations beyond generally linking the use of an abstract idea to a particular environment. (Although the claims do recite the use of the Internet, interfaces, a computer processor and a computing network, these are nothing more than generic computing elements and devices, performing generic, well-understood and routine computer functions and nothing more would be required to implement the aforementioned abstract idea).

Id. (emphasis omitted).

Appellant’s Arguments

Appellant does not challenge the determination that the claims are directed to an abstract idea. *See* App. Br. 7–10 (presenting arguments relating only to *Alice* step 2).² Appellant does challenge, however, the Examiner’s determination that the claims do not amount to significantly more than the abstract idea itself. *Id.* Appellant presents two main arguments in this respect. First, Appellant contends that because the claims have been found patentable over the prior art, they include a “specific limitation other than what is well-understood, routine, and conventional in the field.” App. Br. 7 (quoting 2014 Interim Guidance on Patent Subject Matter Eligibility at 74624). More specifically, Appellant argues by identifying limitations not taught by the previously cited prior art, the “Examiner has identified an example of a ‘specific limitation other than what is well-understood, routine and conventional in the field’ in independent claims 46 and 54.” App. Br. 8; Reply Br. 3–5.

Appellant also contends the Examiner has failed to consider the claims as a whole in determining the claims do not amount to significantly more than the abstract idea itself. App. Br. 9. In particular, Appellant argues the claims recite features such as “[p]roviding encrypted electronic

² Although Appellant does not challenge the determination that the claims are directed to an abstract idea, we nevertheless must ensure that the Examiner’s finding is supported by evidence and in accordance with law. We agree with the Examiner’s determination because the claims do not focus on any asserted improvement in computer capabilities, but instead are directed to a business solution for which computers are invoked merely as a tool. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016) (citation omitted).

notifications to subscribers through [the] Internet with secure communication interfaces” and using notifications “to avoid fraudulent procurement of checks and accidental issuance of improperly prepared checks.” App. Br. 9–10. Finally, Appellant argues that because claim 46 recites the use of a “message facility,” and because the message facility plays a significant part in performing the claimed operations, it is integral to the claims at issue and provides a meaningful limitation beyond generally linking the abstract idea to a particular technological environment.

Analysis

We are not persuaded by Appellant’s arguments. Appellant’s core argument is that the withdrawal of the prior art rejections made under 35 U.S.C. § 103(a) is determinative of the *Alice* step 2 inquiry. We do not agree. This argument lacks merit because it presupposes that any claim found to be novel and non-obvious over prior art cannot be found to be lacking an inventive concept in the *Alice/Mayo* framework. We are aware of no case supporting this proposition, nor does Appellant cite to any.

Patent-eligibility under 35 U.S.C. § 101 is a threshold requirement that must be satisfied *in addition to* being novel, nonobvious, and fully and particularly described. *See Bilski v. Kappos*, 561 U.S. 593, 602 (2010). A finding of novelty or non-obviousness does not necessarily lead to the conclusion that subject matter is patent-eligible. “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). Appellant’s approach to the *Alice* step 2 search for an inventive concept is inconsistent with the legal framework established in the Patent Act, as it would limit the application of 35 U.S.C. § 101 to only

those claims found to be otherwise unpatentable under other sections of the Act (e.g., 35 U.S.C. §§ 102, 103, 112).

We are also unpersuaded by Appellant’s argument that the use of encrypted communications and subscriber notifications to prevent check fraud is enough to qualify as “significantly more” under *Alice* step 2. The Examiner finds these limitations generally link the use of the abstract idea to a conventional and generic computing environment—namely a computer system connected to a communications network. Ans. 4–5. We agree with this determination. As explained by the Examiner, “[t]he identified improvements [identified] by [Appellant] are really, at best[,] improvements to the performance of . . . the underlying business method [] and not in the operations of any additional elements or technology.” Ans. 5.

Although Appellant contends the use of a message facility to carry out these operations and others recited in the claim amount to an “ordered combination of limitations . . . [which] transforms the alleged abstract idea to patent-eligible subject matter,” Reply Br. 5, Appellant does not explain how those operations are anything beyond implementing the abstract idea using generic computer components and well-known data processing operations. Nor does Appellant identify any specialized structure or programming associated with the “message facility,” or any technical challenge or innovation required to gather data from various entities related to and participating in the check ordering process. Rather, the implementation recited in Appellant’s claims is an only improvement to the business process of check ordering, and by achieving that improvement using well-known and conventional technologies, the claims do not amount to significantly more than the abstract idea itself. Accordingly, we sustain

Appeal 2017-000954
Application 12/868,528

the rejection of independent claims 46 and 54, as well as that of dependent claims 47–53 and 55–64 for which Appellant does not present separate arguments for patent eligibility.

DECISION

We affirm the Examiner’s rejection of claims 46–64.

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).

AFFIRMED