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Marshall, Gerstein & Borun LLP (State Farm)  
233 South Wacker Drive  
6300 Willis Tower  
Chicago, IL 60606-6357

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* MARK COMER KAUFMAN, KAY SCHNELL LARRISON, and  
LATRICIA FAYE JOHNSON

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Appeal 2017-001337  
Application 14/078,164  
Technology Center 3600

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Before ALLEN R. MACDONALD, JEREMY J. CURCURI, and  
JOSEPH P. LENTIVECH, *Administrative Patent Judges*.

LENTIVECH, *Administrative Patent Judge*.

DECISION ON APPEAL

Pursuant to 35 U.S.C. § 134(a), Appellant<sup>1</sup> appeals under 35 U.S.C. § 134(a) from the final rejection of claims 1–7, 10–12, 14, 15, 17, and 19–28. Claims 8, 9, 13, 16, and 18 have been canceled. *See* App. Br. 5. We have jurisdiction over the pending claims under 35 U.S.C. § 6(b).

We affirm.

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<sup>1</sup> Appellant is the Applicant, State Farm Mutual Automobile Insurance Company, which, according to the Appeal Brief, is the real party in interest. App. Br. 3.

STATEMENT OF THE CASE

*Appellant's Invention*

Appellant's invention generally relates to "real-time financial account validation, verification or confirmation during the process of opening a new financial account." Spec. ¶ 1. Claim 1, which is illustrative, reads as follows:

1. A system for opening financial accounts in real-time, comprising:

a data storage device configured to store respective information corresponding to each of a plurality of accounts;

a network interface communicatively coupling the system to another system; and

an external account validator communicatively coupled to the data storage device and to the network interface; the external account validator configured to cause the system to:

(a) receive, via the network interface or via another interface of the system, a first request to open a new financial account at a first institution, wherein the new financial account, after being opened, is associated with an owner of the new financial account;

(b) store information corresponding to the new financial account in an entry of the data storage device, the information corresponding to the new financial account including an indication of the owner of the new financial account and an indication of an account balance;

(c) receive, via the network interface or the another interface, a second request to fund the new financial account by an electronic funds transfer from a source financial account corresponding to a second institution;

(d) cause a query to be transmitted, using the network interface, to a first computing device of the another system and corresponding to the second

institution, to determine a particular type of validation information of a plurality of types of validation information, the particular type of validation information specified by the second institution, and each type of validation information included in the plurality of types of validation information is indicative of associations between accounts and account owners;

(e) obtain, via the network interface or the another interface, (i) information indicative of the source financial account, and (ii) validation information indicative of the association between the source financial account and the new financial account owner, the validation information having the particular type indicated in a response to the query;

(f) cause the information indicative of the source financial account and the validation information indicative of the association between the source financial account and the new financial account owner to be transmitted, using the network interface, to the first computing device or to another computing device for validation that the new financial account owner is associated with the source financial account, the another computing device corresponding to the second institution;

(g) receive, via the network interface, a validation indication that the new financial account owner is verified as being associated with the source financial account, the validation indication generated by the first or the another computing device corresponding to the second institution; and

(h) upon receiving the validation indication, initiate an electronic funds transfer from the source financial account to the new financial account, and update the information corresponding to the new financial account stored in the entry of the data storage device based on the electronic funds transfer,

wherein (a) through (h) is performed during a contiguous interval of time less than or equal to one business day.

### *Rejection*

Claims 1–7, 10–12, 14, 15, 17, and 19–28 stand rejected under 35 U.S.C. § 101 because the claimed subject matter is judicially-excepted from patent eligibility under § 101. Final Act. 2–4.

### ANALYSIS

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.*, 569 U.S. 576, 589 (2013)). The Supreme Court in *Alice* reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66, 82–84 (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. The inquiry often is whether the claims are directed to “a specific means or method” for improving technology or whether they are simply directed to an abstract end-result. *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1311, 1314 (Fed. Circ. 2016). If the claims are not directed to a patent-ineligible

concept, 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*, 566 U.S. at 79–80, 1297). 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).

Turning to the first step of the analysis, we agree with the Examiner that the claims are directed to the abstract ideas of opening financial accounts and a process for obtaining and validating information associated with accounts and account owners. Final Act. 2. Opening a financial account and obtaining and validating information associated with accounts and account owners are fundamental business practices, long prevalent in our system of commerce, like the risk hedging in *Bilski* (*see Bilski v. Kappos*, 561 U.S. 593 (2010)), the intermediated settlement in *Alice* (*see Alice*, 134 S. Ct. at 2356–57), verifying credit card transactions in *CyberSource* (*see CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1370 (Fed. Cir. 2011)), collecting and analyzing information to detect and notify of misuses in *FairWarning* (*see FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016)), and guaranteeing transactions (*see buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1354 (Fed. Cir. 2014)). Opening a financial account and obtaining and validating information associated with accounts and account owners are also building

blocks of a market economy. Thus, opening a financial account and obtaining and validating information associated with accounts and account owners, like risk hedging and intermediated settlement, are each an “abstract idea” beyond the scope of § 101. *See Alice* 134 S. Ct. at 2356.

We are not persuaded by Appellant’s argument that “the Examiner’s cursory analysis under *Alice* step one consisted of mere conclusory generalizations that did not address at all any specific claim elements, let alone the claim elements’ significance.” Reply Br. 3. The Examiner has a duty to give notice of a rejection with sufficient particularity to give Appellant a fair opportunity to respond to the rejection. *See* 35 U.S.C. § 132(a). Here, we find the Examiner’s rejection satisfies the initial burden of production by identifying that the claims are directed to opening a financial account and obtaining and validating information associated with accounts and account owners, i.e., an abstract idea, and explaining why the claims are similar to other claims found to be directed to abstract ideas. Final Act. 2–3; *see also Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) (“Instead of a definition [for what an ‘abstract idea’ encompasses], then, the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided.”). Accordingly, the Examiner set forth the statutory basis for the rejection, namely 35 U.S.C. § 101; concluded that the claims are directed to a judicial exception to § 101, namely an abstract idea; and explained why the claims are directed to an abstract idea in sufficient detail to permit Appellant to respond meaningfully to the rejection. *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011).

Turning to the second step of the analysis, the Examiner finds although the claims recite the additional elements of data storage, network interface, and an account validator,

These elements are recited at a high level of generality and their broadest reasonable interpretation comprise of a processor, memory and computer program to simply perform the generic computer functions of receiving, storing, processing and transmitting information. Generic computers performing generic computer functions, alone, do not amount to significantly more than the abstract ideas. Finally, the network limitations are simply a field of use that is an attempt to limit the abstract idea to a technological environment and, so do not add anything further than looking at the limitations individually. When viewed either individually, or as an ordered combination, the additional limitations do not amount to a claim as a whole that is significantly more than an abstract idea.

Final Act. 3–4.

Appellant contends the claims recite “significantly more” than the abstract idea. App. Br. 17–20; Reply Br. 4–6. Appellant argues independent claims 1, 11, and 20 recite additional limitations that were not considered by the Examiner and these additional limitations “render each of the independent claims as being ‘significantly more’ than merely some business practice from the pre-Internet world formed on the Internet or no computer networks, and as being necessarily rooted in computer technology.” App. Br. 17. Appellant argues the limitation “validation information indicative of the association between the source financial account and the new financial account owner,” as recited in claim 1, and similarly recited in claims 11 and 20, was not considered by the Examiner, is not known from the pre-Internet/pre-computer network realm, is unique and specific to the realm of Internet/computer networks realm, and, therefore, is necessarily rooted in

computer technology. App. Br. 17. According to Appellant, the information exchanged between bankers in the pre-Internet/computer network realm was information that was solely indicative of the source financial account and information solely indicative of the new account owner. App. Br. 18. Appellant argues the bankers did not exchange information indicative of an association between the source financial account and a new account owner, as required by the independent claims. *Id.*

Appellant further argues the limitation

(d) cause a query to be transmitted, using the network interface, to a first computing device of the another system and corresponding to the second institution, to determine a particular type of validation information of a plurality of types of validation information, the particular type of validation information specified by the second institution, and each type of validation information included in the plurality of types of validation information is indicative of associations between accounts and account owners,

as recited in claim 1, and similarly recited in claims 11 and 20, is another limitation that was not considered by the Examiner and is not merely some known business practice of the pre-Internet/pre-computer network realm implemented on the Internet or in computer networks. App. Br. 18–19.

Appellant argues:

[I]n the pre-Internet/pre-computer network realm, two distinct pieces information, i.e., (1) the source financial account number solely indicative of the source account and (2) the identification information that is solely indicative of the account owner, were sufficient for account validation purposes when using pen, paper, the telephone, letter, or face-to-face conversations. As such, in the pre-Internet/pre-computer network realm, not only would the banker at the new financial institution have no need for validation information indicative of

the association between source accounts and account owners, the banker at the new financial institution would have no need *to query* the banker at the source account financial institution to ascertain the *types* of validation information indicative of the association between source accounts and account owners that are accepted at the source financial account's institution.

*Id.* Appellant argues the independent claims, therefore, recite additional limitations or elements that were not used, needed, available, or even known in the pre-Internet/pre-computer network realm and, therefore, are necessarily rooted in computer technology. App. Br. 20 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014)).

Appellant further argues the claims are directed to patent-eligible subject matter because the recited limitations are focused on a specific means or method that improves previously known technology and technological processes. Reply Br. 4–6. Appellant argues the Examiner's analysis "fails to account for the specific requirements as claimed, and fails to look to whether these specific requirements of the invention as claimed focuses on means or method that improves previously known technology." Reply Br. 4 (citing *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (Fed. Cir. 2016)). In this regard, Appellant argues the prior art of record does not teach or suggest "the particular type of validation information [is] specified by the second institution" and "each type of validation information included in the plurality of types of validation information is indicative of the association of the source financial account and the new financial account owner," as recited in claim 1 and similarly recited in independent claims 11 and 20. Reply Br. 4. Appellant further argues "the prior art of record does not and cannot specify which particular authentication tokens are used to verify an association between an online

service and a user” and “the prior art’s authentication tokens are indicative of only the user, and not of an association between the user and the online service.” *Id.* Appellant argues, therefore, the claims are not directed to an abstract idea because the claims focus on a specific means or method that improves upon the known technology and technological processes. *Id.*

We are not persuaded. The Federal Circuit has held that receiving transmitted data over a network merely implicates purely conventional activities that are the “most basic functions of a computer.” *Intellectual Ventures I LLC v. Erie Indem. Co.*, 850 F.3d 1315, 1331 (Fed. Cir. 2017) (quoting *Alice*, 134 S. Ct. at 2359). Put another way, “[a]n abstract idea on ‘an Internet computer network’ or on a generic computer is still an abstract idea.” *BASCOM Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1348 (Fed. Cir. 2016). Appellant has not sufficiently explained how providing the information via a computer network is any different than providing the same information via phone, paper, or in person. *See CyberSource*, 654 F.3d at 1371 (“methods which can be performed mentally, or which are the equivalent of human mental work, are unpatentable abstract ideas”) (citing *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)). We agree with the Examiner that this is neither a technical problem nor a technical solution, but merely the application of an abstract idea on a computer via the Internet. “We have repeatedly held that such invocations of computers and networks that are not even arguably inventive are insufficient to pass the test of an inventive concept in the application of an abstract idea.” *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1355 (Fed. Cir. 2016) (quotation omitted).

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For the reasons discussed *supra*, Appellant's contentions of error in connection with the rejection of claims 1–7, 10–12, 14, 15, 17, and 19–28 under 35 U.S.C. § 101 are unpersuasive of Examiner error.

#### DECISION

We affirm the Examiner's rejection of claims 1–7, 10–12, 14, 15, 17, and 19–28 under 35 U.S.C. § 101.

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