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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* GAGAN KANJLIA, SCOTT ZIMMER, ROBERT J. LARSON,  
ALEXANDER S. WILSON, VISHAL PURI, and JAY F POBER

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Appeal 2017-001465<sup>1</sup>  
Application 14/267,421<sup>2</sup>  
Technology Center 3600

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Before NINA L. MEDLOCK, KENNETH G. SCHOPFER, and  
ROBERT J. SILVERMAN, *Administrative Patent Judges*.

SCHOPFER, *Administrative Patent Judge*.

DECISION ON APPEAL

This is an appeal under 35 U.S.C. § 134 from the rejection of claims 22–28, 30–38, and 40–43. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> Our decision references the Appeal Brief (“Appeal Br.,” filed May 23, 2016), Reply Brief (“Reply Br.,” filed Oct. 31, 2016), the Examiner’s Answer (“Ans.,” mailed Aug. 29, 2016), and the Final Office Action (“Final Act.,” mailed Dec. 23, 2015).

<sup>2</sup> According to Appellants, the real party in interest is Capital One Financial Corporation. Appeal Br. 3.

## BACKGROUND

According to Appellants, the embodiments disclosed in the Specification “generally relate to payment systems, and more particularly, to systems, processes, and computer programs for facilitating users to effect personal payment transactions.” Spec. ¶ 2.

## CLAIMS

Claims 22, 33, and 41 are the independent claims on appeal. Claim 22 is illustrative of the appealed claims and recites:

22. A system for providing personal payment transactions comprising:

a processor at a server; and

a storage device at the server storing instructions that, when executed by the processor, cause the system to perform operations comprising:

receiving payee identifying information from a client,

determining a confidence level corresponding to one or more suggested recipients for receiving a payment from a payer based on the payee identifying information, the confidence level indicating a likelihood each of the one or more suggested recipients is the intended payee,

providing information reflecting the one or more suggested recipients and confidence level corresponding to each of the one or more suggested recipients to the client,

receiving a selection of an identified payee from the client,

determining one or more suggested payment routing options to route the payment to the identified payee,

determining whether at least one of the suggested payment routing options involves a wait time for delivering the payment and whether the payee is willing to accept an additional cost for expedite reception of the payment;

based on determining that the selected routing option involves a wait time and the payee is willing to accept an additional cost for expediting the reception of the payment, determining the eligibility of the payee to apply for a credit advance; and

generating information used to generate a second interface at the client including one or more options for the payee to apply for the credit advance when the payee is eligible.

Appeal Br. 26–27.

#### REJECTIONS

1. The Examiner rejects claims 22–28, 30–38, 40–43 under 35 U.S.C. § 101 as claiming ineligible subject matter.
2. The Examiner rejects claims 22–27, 33–37, and 41<sup>3</sup> under 35 U.S.C. § 103(a) as unpatentable over Schumacher<sup>4</sup> in view of Shah,<sup>5</sup> Henry,<sup>6</sup> Frohwein,<sup>7</sup> and Abhari.<sup>8</sup>

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<sup>3</sup> Although claim 41 is not listed in the heading for this rejection, the body of the rejection discusses this claim. *See* Final Act. 6–9.

<sup>4</sup> Schumacher et al., US 8,321,383 B2, iss. Nov. 27, 2012.

<sup>5</sup> Shah et al., US 2011/0202459 A1, pub. Aug. 18, 2011.

<sup>6</sup> Henry, US 8,225,992 B2, iss. July 24, 2012.

<sup>7</sup> Frohwein et al., US 2012/0054097 A1, pub. Mar. 1, 2012.

<sup>8</sup> Abhari et al., US 2008/0015985 A1, pub. Jan. 17, 2008.

3. The Examiner rejects claims 28 and 38 under 35 U.S.C. § 103(a) as unpatentable over Schumacher in view of Shah, Henry, Frohwein, Abhari, and Cervenka.<sup>9</sup>
4. The Examiner rejects claims 30–32 and 40 under 35 U.S.C. § 103(a) as unpatentable over Schumacher in view of Shah, Henry, Frohwein, Abhari, Cervenka, and Ostrovsky.<sup>10</sup>
5. The Examiner rejects claims 42 and 43 under 35 U.S.C. § 103(a) as unpatentable over Schumacher in view of Shah, Henry, Frohwein, Abhari, and Tidwell.<sup>11</sup>

## DISCUSSION

### *Subject Matter Eligibility*

Laws of nature, natural phenomena, and abstract ideas are deemed ineligible for patenting, because they are regarded as the basic tools of scientific and technological work, such that their inclusion within the domain of patent protection would risk inhibiting future innovation premised upon them. *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589–90 (2013). Of course, “[a]t some level, ‘all inventions . . . embody, use, reflect, rest upon, or apply’” these basic tools of scientific and technological work. *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (citation omitted). Accordingly, ascertaining ineligible subject matter involves a two-step framework for “distinguish[ing] between patents that claim the buildin[g] block[s] of human ingenuity and those that integrate the building blocks into something more, . . . thereby transform[ing] them

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<sup>9</sup> Cervenka et al., US 2012/0271765 A1, pub. Oct. 25, 2012.

<sup>10</sup> Ostrovsky, US 8,032,457 B2, iss. Oct. 4, 2011.

<sup>11</sup> Tidwell et al., 2005/0125351 A1, pub. June 9, 2005.

into a patent-eligible invention.” *Id.* (internal quotation marks and citations omitted). The first step determines whether the claim is directed to judicially excluded subject matter (such as a so-called “abstract idea”); the second step determines whether there are any “additional elements” recited in the claim that (either individually or as an “ordered combination”) amount to “significantly more” than the identified judicially excepted subject matter itself. *Id.* at 2355.

As to the first step of the *Alice* framework, the Examiner finds that the claims “are directed to a payment system which is a fundamental economic practice.” Final Act. 2–3 (citing *Bilski v. Kappos*, 561 U.S. 593 (2010)). The “directed to” inquiry of the first *Alice* step “applies a stage-one filter to claims, considered in light of the specification, based on whether ‘their character as a whole is directed to excluded subject matter.’” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (citing *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 11343, 1346 (Fed. Cir. 2015)). “The ‘abstract idea’ step of the inquiry calls [for] look[ing] at the ‘focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.” *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016) (citing *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016)).

We agree with the Examiner’s characterization of the claim and are not persuaded of error by Appellants’ arguments. *See* Appeal Br. 10–14; *see also* Reply Br. 4–20. The steps of claim 33, for example, are focused on achieving the result of processing a payment, e.g., the claim requires “determining a confidence level” to determine that the recipient of the

payment is the correct payee; “determining” payment routing options; and “generating information” to allow a payee to apply for a credit advance. Similarly, the identification of the abstract idea is consistent with the Specification, which describes that the embodiments are generally related “to payment systems” and to “facilitating users to effect personal payment transactions.” Spec. ¶ 2. Finally, we agree with the Examiner that methods of effecting payments are fundamental economic practices along the same lines as risk hedging was found to be a fundamental economic practice in *Bilski*. See *Bilski*, 561 U.S. 593, 611 (2010). Thus, the Examiner’s citation to *Bilski* alone represents a sufficient consideration of earlier cases under *Alice* step one. See *Amdocs (Isr.) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016); see also Reply Br. 8–9.

Turning to *Alice* step two, the Examiner finds that “[t]he claims do not include additional elements that are sufficient to amount to significantly more . . . than the judicial exception.” Final Act. 3. The Examiner indicates that the specific claim steps are “insignificant extra solution activity” that are merely themselves steps of enabling a program for effecting a payment transaction scheme. *Id.* at 3–4. Further, the Examiner finds that the additional elements provided in the system claims use only generic computer systems using generic computer functions and the solutions are not necessarily rooted in computer technology. *Id.* at 4–5.

We agree with the Examiner’s findings regarding *Alice* step two, and we are not persuaded by Appellants’ arguments, as discussed below.

Appellants argue that the Examiner’s analysis mischaracterizes claim 22 by ignoring certain elements, and thus, the Examiner has failed to consider the claim as a whole. Appeal Br. 15. Appellants assert that the

Examiner has not provided a reasoned explanation as to why these additional elements are widely prevalent or represent well-understood and conventional activity. *Id.* at 15–16. We disagree. Appellants discuss the claim limitation related to determining a confidence level, but we agree with the Examiner that this itself is merely an abstract concept that enables the program to effect the payment transaction scheme. And regarding the computer system components, the Specification supports the Examiner’s finding that these include generic computer systems performing generic computer functions. *See, e.g.*, Spec. ¶¶ 44, 45, 51 (describing the computer components as general purpose computers with off-the-shelf processors). Further, Appellants only indicate, without adequate explanation, that these components in combination perform functions that are not merely generic. Appeal Br. 16.

Appellants also argue that claim 22, when considered as an ordered combination, “demonstrate[s] a technically rooted solution” that “amount[s] to significant[ly] more than merely performing payment transactions.” Appeal Br. 16. Appellants assert that claim 22 “addresses [an] internet-centric challenge” related to making payments between remote payers and payees. *Id.* at 17–18. Yet, Appellants do not adequately explain how such problems are “internet-centric.” The identified problems related to processing payments, either locally or remotely, existed long before the advent of the internet. Further, Appellants do not adequately explain how the combination of elements represents a “solution that is necessarily rooted in computer technology.” *See id.* at 18. Rather, Appellants describe only issues in which computers are used to automate manual processes. *Id.* For example, Appellants assert that the claims provide a means for “facilitating

decisions surrounding the potential routing of payments” or problems related to a user having to “manually look up payee’s information” or “manually enter such information,” which “is fraught with significant risks of misdirected transfers of funds and assets simply as the result of a typographic error.” *See id*; *see also* Reply Br. 16; 25–27. We cannot agree that systems that merely facilitate manual processes or provide greater accuracy over entering information manually address technical problems or are necessarily rooted in computer technology.

Finally, we note Appellants’ arguments regarding preemption. *See* Reply Br. 12, 19–20. Yet, “[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). “The Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Id.*

Based on the foregoing, we are not persuaded of error, and we sustain the rejection under 35 U.S.C. § 101.

#### *Obviousness*

We are persuaded by Appellants’ argument that the Examiner has not established that the art of record renders obvious the limitation in each of the independent claims requiring a determination whether the payment routing option involves a wait time and “whether the payee is willing to accept an additional cost for expedite reception of the payment.”

With respect to the rejection of each of the independent claims, the Examiner relies on Abhari as follows:

Abhari discloses routing options and whether the payee is willing to accept an additional cost for expedite reception of the payment, and indicates the payee is willing to accept an additional cost for expedite reception of the payment [Abstract; Figs. 1–4, Fig. 6 (#154), Figs. 9–10, Fig. 17 (delivery time: 3 business days; same day \$15.00), Fig. 18 (fee: \$15.00), ¶¶03–07, ¶¶11, ¶¶32, ¶¶48, ¶¶93–96, ¶¶187, ¶¶209]. It would have been obvious to one ordinary practitioner at the time of invention to combine the teaching of Schumacher, Shah, Henry, and Abhari to provide online banking and payment system that provides customers USR with the ability to make a "last minute" or same day payment for an additional fee to avoid late charges for expedited delivery [¶¶249].

Final Act. 8–9 (bracketed material in original). Further, in the Answer, the Examiner reiterates that Abhari is relied upon as teaching a determination of whether the payee is willing to pay an additional fee to expedite receipt of a payment. *See* Ans. 8.

Appellants argue that the art of record does not teach determining whether the payor is willing to accept an additional cost to expedite receipt of a payment. Appeal Br. 21–22. In particular, regarding the Examiner’s reliance on Abhari, Appellants argue that “Abhari at best discloses a system that enables a payer to make an expedited payment to a payee and charges the payer an additional fee for the expedited payment.” *Id.* at 22 (emphasis omitted). Appellants assert that this does not teach a system in which it is determined whether the payee is willing to pay an additional fee to receive the payment. *Id.* We agree.

Abhari discloses systems for processing expedited payments in which a user, i.e. a bill payer, may select to pay a fee to expedite a payment to a payee. *See, e.g.*, Abhari Abstract; ¶¶ 11, 48, 49. In contrast, the claims require making a determination regarding whether the *payee* is willing to

accept an additional cost to expedite receipt of a payment. The Examiner does not point to any portion of Abhari in which the payee is offered the opportunity to pay a fee to expedite receipt of a payment. In fact, Abhari appears to only be concerned with providing the benefit of an expedited payment from the perspective of the bill payer. Further, the Examiner does not go on to explain adequately why the claim limitation at issue would have been obvious in view of Abhari or any of the art of record alone or in combination. *See* Final Act. 6–9; *see also* Ans. 5–8.

Based on the foregoing, we are persuaded of error in the rejection of independent claims 22, 33, and 41. For the same reasons and because the Examiner does not rely on the art of record in a manner that cures the deficiency in the rejection of the independent claims, we also find error in the rejections of dependent claims 23–28, 30–32, 34–38, 40, 42, and 43. Accordingly, we do not sustain the rejections of claims 22–28, 30–38, and 40–43 as obvious.

#### CONCLUSION

We AFFIRM the rejection of claims 22–28, 30–38, and 40–43 under 35 U.S.C. § 101. We REVERSE the rejections of claims 22–28, 30–38, and 40–43 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