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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte KURT BULAWA,
MICHAEL MICHELSEN,
MICHELE DEMARK, and
DAVID A. OWEN

Appeal 2017–003161
Application 13/774,528
Technology Center 3600

Before ANTON W. FETTING, JOSEPH A. FISCHETTI, and
ALYSSA A. FINAMORE, *Administrative Patent Judges*.
FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE¹

Kurt Bulawa, Michael Michelsen, Michele Demark, and David A. Owen (Appellants) seek review under 35 U.S.C. § 134 of a final rejection of claims 21–26, 36–40, and 42–48, the only claims pending in the application on appeal. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b).

¹ Our decision will make reference to the Appellants’ Appeal Brief (“Br.,” filed March 11, 2016) and the Examiner’s Answer (“Ans.,” mailed July 15, 2016), and Final Action (“Final Act.,” mailed September 11, 2015).

The Appellants invented a way to perform receiver driven money transfers. Specification para. 4.

An understanding of the invention can be derived from a reading of exemplary claim 21, which is reproduced below (bracketed matter and some paragraphing added).

21. A method for transferring funds comprising:

[1] receiving, at a money transfer host system that transmits and receives data over a network, a communication from a receiver mobile device,

wherein the communication comprises a request to transfer funds from a plurality of senders,

wherein the request to transfer funds includes:

identification information for the plurality of senders;

communication addresses for sender mobile devices of the plurality of senders;

and

data entered using an electronically displayed form provided on the receiver mobile device, including an amount of funds to be transferred to a receiver associated with the receiver mobile device;

[2] staging a transaction after receiving the request,

the transaction pending authorization by each of the plurality of senders to fund the transaction;

[3] sending, by the money transfer host system to sender mobile devices, via the communication addresses in the request, the request to transfer funds,

wherein the request identifies the amount of funds to be received from each of the plurality of senders;

[4] receiving, at the money transfer host system from the sender mobile device, and [sic, an] indication of authorization to transfer the funds from each of the plurality of senders,

wherein the indication is initiated via a selection of an accept button presented on each of the sender mobile device devices,

and

wherein the indication includes an amount of funds to be provided from each sender;

and

[5] executing, by the money transfer host system, a money transfer to transfer the funds from each sender to the receiver.

Br. 8 (Claims Appendix).

Claims 38 and 42 stand rejected under 35 U.S.C. § 112(b) as failing to particularly point out and distinctly claim the invention.

Claims 21–26, 36–40, and 42–48 stand rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

ISSUES

The issues of indefiniteness matter turn primarily on whether the phrase beginning “configured to” is definite.

The issues of eligible subject matter turn primarily on whether the claims recite more than abstract conceptual advice of what a computer is to provide without implementation details.

ANALYSIS

Claims 38 and 42 rejected under 35 U.S.C. § 112(b) as failing to particularly point out and distinctly claim the invention

We are persuaded by Appellants' argument that the phrase beginning "configured to" is definite. Br. 4. The phrase "configured to" is narrower than "capable of." *Aspex Eyewear, Inc. v. Marchon Eyewear, Inc.*, 672 F.3d 1335, 1349 (2012). *See Application of Miller*, 441 F.2d 689, 693 (CCPA 1971) (explaining "breadth is not to be equated with indefiniteness").

The Examiner cites MPEP § 2111.04 as supporting a determination that the phrase "configured to" is indefinite. Final Act. 2. This section does not mention the phrase "configured to." Instead, this section mentions "adapted to." The case cited in this section for "adapted to" is *In re Giannelli*, 739 F.3d 1375, 1378 (2014), which holds that the phrase "adapted to" may either mean "capable of" or "configured to." As this holding means that "configured to" is one of the possible meanings of the disputed limitation "adapted to" in that case, the case law cited in the MPEP section the Examiner relies on supports the definiteness of the phrase "configured to."

Claims 21–26, 36–40, and 42–48 rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter

Method claim 21 recites receiving identification, address, and amount information, staging a transaction, sending a request and then receiving an authorizing response, and executing a funds transfer. Thus, claim 21 recites receiving various information, staging a transaction, sending and then receiving information, and executing a funds transfer. None of the

limitations recite implementation details for any of these steps, but instead recite functional results to be achieved by any and all possible means. Data reception and transmission, and executing funds transfers are all generic, conventional data processing operations to the point they are themselves concepts awaiting implementation details. The sequence of data reception-transmission-executing funds transfer is equally generic and conventional. The ordering of the steps is therefore ordinary and conventional. The remaining claims merely describe data content sent and received, with no implementation details.

The Supreme Court

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. First, determine whether the claims at issue are directed to one of those patent-ineligible concepts. If so, we then ask, “[w]hat else is there in the claims before us?” To answer that question, 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. [The Court] described step two of this analysis 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.”

Alice Corp. Pty. Ltd. v CLS Bank Int’l, 134 S. Ct. 2347, 2355 (2014)

(citations omitted) (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012)).

To perform this test, we must first determine whether the claims at issue are directed to a patent–ineligible concept. The Examiner determines the claims are directed to performing a money transfer initiated by a receiver of

the money transfer, which in turn is a form of creating a contractual relationship. Final Act. 4.

Although the Court in *Alice* made a determination as to what the claims were directed to, we determine that this case's claims themselves and the Specification provide enough information to inform one as to what they are directed to.

The preamble to claim 21 recites it is a method for transferring funds. The steps in claim 21 result in transferring funds. The Specification at paragraph 4 recites that the invention relates to receiver driven money transfers. Thus, all this evidence shows that claim 21 is directed to funds transfers. This is consistent with the Examiner's determination.

It follows from prior Supreme Court cases, and *Bilski* (*Bilski v Kappos*, 561 U.S. 593 (2010)) in particular, that the claims at issue here are directed to an abstract idea. Like the risk hedging in *Bilski*, the concept of funds transfers is a fundamental economic practice long prevalent in our system of commerce. The use of funds transfers is also a building block of human ingenuity in finance. Thus, funds transfers, like hedging, is an "abstract idea" beyond the scope of § 101. See *Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2356.

As in *Alice Corp. Pty. Ltd.*, we need not labor to delimit the precise contours of the "abstract ideas" category in this case. It is enough to recognize that there is no meaningful distinction in the level of abstraction between the concept of risk hedging in *Bilski* and the concept of funds transfers at issue here. Both are squarely within the realm of "abstract

ideas” as the Court has used that term. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2357.

Further, claims involving data collection, analysis, and display are directed to an abstract idea. *Elec. Power Grp. v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (holding that “collecting information, analyzing it, and displaying certain results of the collection and analysis” are “a familiar class of claims ‘directed to’ a patent ineligible concept”); *see also In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016). Claim 21, unlike the claims found non-abstract in prior cases, uses generic computer technology to perform data reception and transmission, and execute funds transfer 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) (determining claims not abstract because they “focused on a specific asserted improvement in computer animation”). As such, claim 21 is directed to the abstract idea of receiving, transmitting, and transferring data.

The remaining claims merely describe data content sent and received. We conclude that the claims at issue are directed to a patent-ineligible concept.

The introduction of a computer into the claims does not alter the analysis at *Mayo* step two.

[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea “while adding the words ‘apply it’” is

not enough for patent eligibility. Nor is limiting the use of an abstract idea “to a particular technological environment.” Stating an abstract idea while adding the words “apply it with a computer” simply combines those two steps, with the same deficient result. Thus, if a patent’s recitation of a computer amounts to a mere instruction to “implemen[t]” an abstract idea “on ... a computer,” that addition cannot impart patent eligibility. This conclusion accords with the preemption concern that undergirds our § 101 jurisprudence. Given the ubiquity of computers, wholly generic computer implementation is not generally the sort of “additional featur[e]” that provides any “practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself.”

Alice Corp. Pty. Ltd., 134 S. Ct. at 2358 (citations omitted).

“[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea . . . on a generic computer.” *Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2359. They do not.

Taking the claim elements separately, the function performed by the computer at each step of the process is purely conventional. Using a computer to receive, transmit, and transfer data, even funds data, amounts to electronic data query and retrieval—one of the most basic functions of a computer. All of these computer functions are well-understood, routine, conventional activities previously known to the industry. In short, each step does no more than require a generic computer to perform generic computer functions.

Considered as an ordered combination, the computer components of Appellants’ method add nothing that is not already present when the steps are considered separately. Viewed as a whole, Appellants’ method claims

simply recite the concept of funds transfers as performed by a generic computer. To be sure, the claims recite doing so by advising one to send and receive messages relating the desirability and agreement of having plural parties assume the obligation of another and transfer funds accordingly. But this is no more than abstract conceptual advice on the parameters for such funds transfers and the generic computer processes necessary to process those parameters, and do not recite any particular implementation.

The method 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. The 29+ pages of specification spell out different generic equipment and parameters that might be applied using this concept and the particular steps such conventional processing would entail based on the concept of funds transfers under different scenarios. They do not describe any particular improvement in the manner a computer functions. Instead, the claims at issue amount to nothing significantly more than an instruction to apply the abstract idea of funds transfers using some unspecified, generic computer. Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2360.

As to the structural claims, they

are no different from the method claims in substance. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic computer components configured to implement the same idea. This Court has long “warn[ed] ... against” interpreting § 101 “in ways that make patent eligibility ‘depend simply on the draftsman’s art.’”

Alice Corp. Pty. Ltd., 134 S. Ct. at 2360.

We are not persuaded by Appellants' argument that:

Each of the claims improves other technical fields beyond performing a money transfer initiated by a receiver of the money transfer (the alleged abstract idea), specifically: mobile device technology, personal finance management, financial institution/company management.

Beyond the mere abstract idea of “performing a money transfer initiated by a receiver of the money transfer,” each of the claims provides improvements to the capabilities of mobile devices. Through embodiments of the instant claims, mobile devices can now be used by transfer recipients to initiate transfers, by senders to acquiesce to such transfers, and by financial institutions/companies to communicate with their customers in a manner which creates business (i.e., the funds transfers).

Additionally, individuals gain greater personal financial control over their affair by being able to implement mobile device technology to conduct transfers. This may occur in lieu of visiting a financial institution/company (i.e., a bank lobby) or an automated device at some remote location (i.e., an ATM).

Finally, financial institutions gain the ability to conduct transfers for their customers in an expedited manner, without overhead [sic] associated with things such as bank lobbies and ATM's. Additionally, communicating with customers via mobile devices which can otherwise be tracked and have independent security measures may increase the security of transactions conducted with the underlying devices.

Br. 5–6. The issue is not whether associated technologies improve as a result of the invention, but whether the invention is itself an improvement in the technology, or is instead conceptual advice devoid of implementation details. Simply listing the benefits from conceptual advice does not elevate

such advice out of the realm of abstract ideas. For example, many technologies are improved by communications among participants, but advising such communication is an abstraction. Similarly, the instant claims recite abstract conceptual advice that perhaps has some effect, but the claims do not recite any particular technological improvement.

We are not persuaded by Appellants' argument that:

Particular, non-generic, machines/computers are necessary to implement the systems and methods of the claims. For example, a server capable of implementing the systems and methods must be able to communicate digital data with social networking sites, as well as a multitude of mobile devices which may be used by users of the methods/systems. Off-the-shelf generic computers are not capable of performing such functions, much less concurrently during an [sic] period of intense heavy transaction load as may be necessary in such industry.

Br. 6. This argument is entirely conclusory. Appellants present no evidence that off-the-shelf generic computers are not capable of performing such functions, and these arguments appear to contend that off-the-shelf computers could not meet commercial environment needs. As such needs are not recited in the claims, this is unpersuasive.

We are not persuaded by Appellants' argument that:

Each of the claims includes specific limitations other than what is well-understood, routine and conventional in the field, or add unconventional steps that confine the claim to a particular useful application. [The Office Action admits this implicitly because these claims do not stand rejected under §102 or §103.] Novel and non-obvious claims, by their very definition, must include limitations other than what is well-understood, routine, and conventional in the field, or else

they wouldn't be novel and non-obvious. Because the alleged abstract idea has been labeled a fundamental economic practice by the Office Action, novelty and non-obviousness cannot lie within that portion of the claim, as fundamental economic practices are "long prevalent in our system and taught in any introductory finance class."

Br., 6–7. That the advice recited in the claims may be novel does not affect the abstract nature of the advice. "A claim for a *new* abstract idea is still an abstract idea. The search for a § 101 inventive concept is thus distinct from demonstrating § 102 novelty." *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016). The limitations Appellants refer to advise one to send and receive messages relating the desirability and agreement of having plural parties assume the obligation of transfer funds accordingly. This remains directed to funds transfers, a fundamental economic practice.

CONCLUSIONS OF LAW

The rejection of claims 38 and 42 under 35 U.S.C. § 112(b) as failing to particularly point out and distinctly claim the invention is improper.

The rejection of claims 21–26, 36–40, and 42–48 under 35 U.S.C. § 101 as directed to non-statutory subject matter is proper.

DECISION

The rejection of claims 21–26, 36–40, and 42–48 is affirmed.

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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) (2011).

AFFIRMED