



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

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/956,161	07/31/2013	Justin X. Howe	37537.0010U2-	9661
126944	7590	07/25/2018	EXAMINER	
MasterCard c/o Ballard Spahr LLP 999 Peachtree Street, Suite 1000 Atlanta, GA 30309			ANDERSON, MICHAEL W	
			ART UNIT	PAPER NUMBER
			3694	
			NOTIFICATION DATE	DELIVERY MODE
			07/25/2018	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):

uspatentmail@ballardspahr.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JUSTIN X. HOWE and CHRISTINE ANN BRUNDAGE

Appeal 2017-003177¹
Application 13/956,161²
Technology Center 3600

Before HUBERT C. LORIN, NINA L. MEDLOCK, and
BRADLEY B. BAYAT, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 1–15 and 19–23. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants’ Appeal Brief (“Br.,” filed June 1, 2016), and the Examiner’s Answer (“Ans.,” mailed July 21, 2016), Advisory Action (“Adv. Act.,” mailed December 21, 2015), and Final Office Action (“Final Act.,” mailed August 24, 2015).

² Appellants identify MasterCard International Inc. as the real party in interest. Br. 2.

CLAIMED INVENTION

Appellants' claimed invention relates "in general to financial services" and more particularly to "a decision making platform to process cross-border transactions involving payment cards" (Spec. ¶ 2).

Claims 1, 10, and 15 are the independent claims on appeal. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A real-time method of generating a white list for anticipated future travel, the method comprising:

receiving, via a network interface, transaction data from a merchant bank, the transaction data including (A) a cardholder identifier associated with a customer and (B) addenda for the transaction data;

extracting, with a processor, travel information from the addenda, the travel information including an anticipated date of travel and an anticipated location;

creating, with the processor, a white list entry associated with the cardholder identifier, the white list entry containing the anticipated date of travel and the anticipated travel location; and

transmitting, via the network interface, the white list entry.

REJECTIONS

Claims 1–15 and 19–23 are rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more.

Claims 1, 3–6, 8–10, 12–15, and 17–23 are rejected under 35 U.S.C. §§ 102(a)(1) and (a)(2) as anticipated by DePetro (US 2013/0006823 A1, pub. Jan. 3, 2013).³

³ We treat the Examiner's reference to canceled claims 17 and 18 and omission of claims 21–23 in the heading of the rejection (Final Act. 7; *see also*, Ans. 2), as typographical errors (claims 21–23 are included in the body of the rejection; *see* Final Act. 11–12).

Claims 2 and 11 are rejected under 35 U.S.C. § 103(a) as unpatentable over DePetro and Hefetz (US 2012/0244885 A1, pub. Sept. 27, 2012).

Claim 7 is rejected under 35 U.S.C. § 103(a) as unpatentable over DePetro and Nightengale et al. (US 2010/0241535 A1, pub. Sept. 23, 2010) (“Nightengale”).

ANALYSIS

Patent-Ineligible Subject Matter

Appellants argue claims 1–15 and 19–23 as a group (Br. 8–15). We select independent claim 1 as representative. The remaining claims stand or fall with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

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 (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.*, 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.” *Id.* If the claims are not directed to a patent-ineligible concept, e.g., an abstract idea, 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 there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 566 U.S. at 79, 78).

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. Therefore, the Federal Circuit has instructed that claims are to be considered in their entirety to determine “whether their character as a whole is directed to excluded subject matter.” *McRO, Inc. v. Bandai Namco Games Am., Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)).

Here, in rejecting the pending claims under 35 U.S.C. § 101, the Examiner determined that the claims are directed to “preventing transaction fraud by generating a white list for anticipated future travel” (Final Act. 6 (citing the USPTO’s 2014 Interim Guidance on Subject Matter Eligibility, 79 Fed. Reg. 74618 (Dec. 16, 2014))); and that the claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception itself because “[t]he only additional limitations in the claims that relate to computerization [are] a processor and a network interface” (*id.*), which the Examiner concluded “amount to nothing more than requiring a generic processor and generic network interface to merely carry out the abstract idea itself” (*id.* at 4).

Appellants argue that the Examiner’s “analysis rests on an extrapolation of the recited subject matter to a concept that is not even claimed” because “the words ‘prevent transaction fraud’ appear nowhere in

claim 1, 10, or 15”; and Appellants charge that the Examiner has, thus, failed to comply with USPTO guidelines (Br. 6 (citing para. III “July 2015 Update: Subject Matter Eligibility”)).⁴

Appellants’ argument is not persuasive at least because there is no requirement that the Examiner’s formulation of an abstract idea must copy the claim language. Instead, the Federal Circuit has explained that “the ‘directed to’ inquiry 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.’” *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d. 1327, 1335 (Fed. Cir. 2016) (citing *Internet Patents Corp.*, 790 F.3d at 1346).

Here, it is clear from the Specification, including the claim language, that the character of the claims, considered as a whole, is directed to an improvement to methods and systems for detecting and preventing transaction fraud (*see, e.g.*, Spec. Title (“CARD PRESENT FRAUD PREVENTION METHOD USING AIRLINE PASSENGER DETAIL”)); ¶ 12 (“One aspect of the disclosure includes the realization that anticipated cardholder travel data may be incorporated as a factor to vendor fraud scoring products in the authorization of cross-border transactions.”); ¶ 14 (“Yet another aspect of the disclosure is automated issuer travel notification – automating disclosure of cardholder travel to at least one or multiple issuers, thus facilitating improved anti-fraud determinations by the issuers.”); ¶ 52 (“The automated issuer travel notification includes automating disclosure of cardholder travel to at least one or multiple issuers,

⁴ Available at <https://www.uspto.gov/sites/default/files/documents/ieg-july-2015-update.pdf>

which may result in improved anti-fraud determinations by the issuers.”); ¶ 56 (“a real-time method 4000 that factors anticipated travel in fraud detection and scoring”); claim 1 (claim 1 recites receiving transaction data and performing operations on that data, i.e., extracting travel information and creating a white list entry using a processor)). As such, we see no legal difficulty with the Examiner’s determination that the claims are directed to “preventing transaction fraud by generating a white list for anticipated future travel” (Final Act. 6).

Appellants next argue that the claims are not directed to an abstract idea because “each of the steps includes a recitation of particular hardware used to perform the step” and thus, “the steps cannot be performed through organizing human activity” (Br. 7). That argument is similarly unpersuasive.

Appellants appear to be arguing that any invention that cannot be performed mentally or by hand, because the claim recites a computer is, therefore, not abstract. But, a substantially similar argument was expressly rejected by the Court in *Alice*. See *Alice Corp.*, 134 S. Ct. at 2358 (“[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.”); see also *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1098 (Fed. Cir. 2016) (The inability of a human to perform each claim step “does not alone confer patentability.”). Although “a method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101,” *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1373 (Fed. Cir. 2011), it does not logically follow that methods requiring physical

components — i.e., methods that arguably cannot be performed entirely in the human mind — are, therefore, not directed to abstract ideas.

Appellants further argue that “[t]he idea of generating a white list for anticipated future travel based on addenda information of a payment card transaction is decidedly not a ‘fundamental . . . practice,’” and, therefore, not an abstract idea (*id.* at 9). Yet, generating a white list for anticipated future travel, as recited in claim 1, amounts to no more than collecting information (i.e., transaction data); analyzing the information (i.e., extracting travel information from the transaction data and creating a white list entry), and transmitting the results of the collection and analysis — concepts that the Federal Circuit has held are within the realm of abstract ideas. *See, e.g., Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016) (finding claims directed to an abstract idea where “[t]he advance they purport to make is a process of gathering and analyzing information of a specified content, then displaying the results, and not any particular assertedly inventive technology for performing those functions.”); *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) (“the claims of the asserted patents are drawn to the abstract idea of 1) collecting data, 2) recognizing certain data within the collected data set, and 3) storing that recognized data in a memory.”); *FairWarning IP.*, 839 F.3d at 1094 (“the claims here are directed to collecting and analyzing information to detect misuse and notifying a user when misuse is detected.”).

We also are not persuaded of Examiner error by Appellants’ argument that the claims “describe an approach to accomplishing a specific, practical, and useful improvement to the existing computer aided processes, such as

clearing processes used for payment card transactions” (Br. 9). Claim 1 does not recite “clearing processes used for payment card transactions” and Appellants’ arguments in this regard are not persuasive at least because they are not commensurate with the scope of the claims.

Turning to the second step of the *Mayo/Alice* framework, Appellants maintain that even if the claims are directed to an abstract idea, the claims are nonetheless patent-eligible because “the claims represent substantially more than an application of the abstract idea” (Br. 10). In this regard, Appellants first argue that “[t]he present claims . . . plainly satisfy the ‘significantly more’ standard” because the claims “do not (nor do they attempt to) preempt every application of the idea of ‘prevent[ing] transaction fraud by generating a white list for anticipated future travel’ as recited in the Final Office Action” (*id.* at 10–11). Instead, according to Appellants, “there are other methods available for generating a white list entry” (*id.*; *see also id.* at 9 (“There is no ‘building block’ at issue that, if monopolized, would ‘improperly [tie] up . . . human ingenuity.’”)).

There is no dispute that the Supreme Court has described “the concern that drives [the exclusion of abstract ideas from patent eligible subject matter] as one of pre-emption.” *Alice Corp.*, 134 S. Ct. at 2354. But characterizing preemption as a driving concern for patent eligibility is not the same as characterizing preemption as the sole test for patent eligibility. “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.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice Corp.*, 134 S. Ct. at 2354). “[P]reemption may signal

patent ineligible subject matter, [but] the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

Appellants next argue that the claims are patent-eligible because they “recite a practical innovation and contain a significant degree of detail regarding how this innovation is accomplished in practice – for example, the type of data used (e.g., addenda for transaction data), a source of the data used (e.g., transaction data from a merchant bank), etc.” (Br. 12). But, that argument is also unpersuasive of Examiner error.

Information collection and analysis, including when limited to particular content, is within the realm of abstract ideas. *See, e.g., Elec. Power Grp.*, 830 F.3d at 1353 (“we have treated collecting information, including when limited to particular content (which does not change its character as information), as within the realm of abstract ideas.”); *SAP America, Inc. v. Investpic, LLC*, 890 F.3d 1016, 1022 (Fed. Cir. 2018) (“As many cases make clear, even if a process of collecting and analyzing information is ‘limited to particular content’ or a particular ‘source,’ that limitation does not make the collection and analysis other than abstract.” (quoting *Elec. Power Grp.*, 830 F.3d at 1355 (citing cases))). The law also is clear that the mere recitation of a practical application for an abstract idea is insufficient to transform the abstract idea into a patent-eligible invention. *Cf. CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1371 (Fed. Cir. 2011) (“The Court [in *Parker v. Flook*, 437 U.S. 584 (1978)] rejected the notion that the recitation of a practical application for the calculation could alone make the invention patentable.”).

We also are not persuaded by Appellants’ further argument that “the claims are necessarily rooted in technology, making use of a network

interface and a processor to perform actions” and “have an obvious technological effect: they aid in the technological goal of automatically capturing anticipated travel information based on payment card purchase information. (Br. 12). Appellants do not adequately show how the claims are technically performed such that they are not routine, conventional functions of a generic computer; nor do Appellants provide any technical reasoning to explain why the claims are not routine and conventional functions of a generic computer. There is no indication in the record that the particular operations recited in the claims, e.g., receiving data, extracting information, creating a white list entry, and transmitting the white list entry, require any inventive computer components, invoke any allegedly inventive programming, or that the claimed invention is implemented using other than generic computer components. We conclude, as did the Examiner, that the only additional elements in claim 1, beyond the abstract idea itself, are the recited processor and network interface (Ans. 3). The Examiner determined that these elements “amount to nothing more than requiring a generic processor and a generic network interface to merely carry out the abstract idea itself” (*id.*) — a determination that is fully consistent with the Specification.⁵

⁵ See Spec. ¶ 27 (“Processor 2100 may be any central processing unit, microprocessor, micro-controller, computational device or circuit known in the art.”); *id.* ¶ 38 (“Network interface 2300 may be any data port as is known in the art for interfacing, communicating or transferring data across a computer network, examples of such networks include Transmission Control Protocol/Internet Protocol (TCP /IP), Ethernet, Fiber Distributed Data Interface (FDDI), token bus, or token ring networks.”).

Citing *In re Alappat*, 33 F.3d 1526, 1543 (Fed. Cir. 1994), Appellants argue that Appellants’ claims “result in the requirement of a computer system with improved functionality over a ‘generic’ computer” and that “[b]ecause the recitations of the present claims would require specific programming, the resulting computer would be a *specific purpose* computer, which is in contrast to the claims of *Alice*” (Br. 13). Appellants, thus, maintain that the claimed “activities require the use of communication protocols, data formatting standards, and data flows that are unavailable and/or unused with generic computers” and that “a generic computer is *not capable* of performing the functional features recited in the claims” (*id.*).

The difficulty with Appellants’ argument, as the Examiner points out (Ans. 7), is that the Federal Circuit, in *Eon Corp. IP Holdings LLC v. AT&T Mobility LLC*, 785 F.3d 616 (Fed. Cir. 2015), explicitly noted that “*Alappat* has been superseded by *Bilski* and *Alice Corp.*” *Id.* at 623 (citations omitted). And, as described above, it is clear from the Supreme Court decision in *Alice* that merely implementing an abstract idea on a general purpose computer is not patent-eligible. Moreover, Appellants do not point to anything in the record to support their assertion that the claimed invention requires “communication protocols, data formatting standards, and data flows that are unavailable and/or unused with generic computers” (Br. 13).

We are not persuaded, on the present record, that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection of claim 1, and claims 2–15 and 19–23, which fall with claim 1.

Anticipation

Independent Claim 1 and Dependent Claims 3–6, 8, 9, and 21–23

We are persuaded by Appellants’ argument that the Examiner erred in rejecting claim 1 under 35 U.S.C. §§ 102(a)(1) and 102(a)(2) at least because DePetro, on which the Examiner relies, does not disclose “receiving . . . transaction data from a merchant bank,” as recited in claim 1 (Br. 15–17).

Responding to Appellants’ arguments in the Answer, the Examiner cites paragraph 16 of DePetro, which discloses that a card issuer may be a bank (Ans. 8). According to the Examiner, “the bank or card issuer that does the processing in [DePetro] is a merchant bank and reads on the limitation” (*id.*). The Examiner, thus, takes the position that the claimed “merchant bank” reads on the card issuer in DePetro. However, the Examiner has not pointed to any disclosure in DePetro that transaction data is received *from* the card issuer, i.e., the “merchant bank,” as required by claim 1. On the contrary, DePetro discloses that notification service provider 106 receives travel information from a travel provider 104, creates a notification file, and sends the notification file *to* a card issuer 108 (*see, e.g.,* DePetro ¶ 49).

In view of the foregoing, we do not sustain the Examiner’s rejection of claim 1 under 35 U.S.C. §§ 102(a)(1) and 102(a)(2). For the same reasons, we also do not sustain the Examiner’s rejection of dependent claims 3–6, 8, 9, and 21–23.

Independent claims 10 and 15 and Dependent claims 12–14, 19, and 20

Independent claims 10 and 15 include language substantially similar to the language of claim 1. Therefore, we do not sustain the Examiner’s

rejection under 35 U.S.C. §§ 102(a)(1) and 102(a)(2) of claims 10 and 15, and claims 12–14, 19, and 20, which depend therefrom, for the same reasons set forth above with respect to claim 1.

Obviousness

Dependent Claims 2, 7, and 11

Claims 2 and 7 ultimately depend from independent claim 1, and claim 11 depends from independent claim 10. The Examiner's rejections of dependent claims 2, 7, and 11 are based on the same rationale with respect to DePetro applied in rejecting claims 1 and 10 under 35 U.S.C. §§ 102(a)(1) and 102(a)(2). Therefore, we do not sustain the Examiner's rejections of dependent claims 2, 7, and 11 under 35 U.S.C. § 103(a) for substantially the same reasons set forth above with respect to the independent claims.

DECISION

The Examiner's rejection of claims 1–15 and 19–23 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejection of claims 1, 3–6, 8–10, 12–15, and 19–23 under 35 U.S.C. §§ 102(a)(1) and 102(a)(2) is reversed.

The Examiner's rejections of claims 2, 7, and 11 under 35 U.S.C. § 103(a) are reversed.

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