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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MOHANA KRISHNAN KOTHANDARAMAN,
SATHISH KUMAR VENKOBA ROA, and
MOHANASIVAM UMAPATHY

Appeal 2017-003798
Application 12/827,882
Technology Center 3600

Before ST. JOHN COURTENAY III, BETH Z. SHAW, and
JAMES W. DEJMEK, *Administrative Patent Judges*.

COURTENAY, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from a final rejection of claims 1, 2, 6–15, and 18–26, which are all the claims pending in this application. Claims 3–5, 16, and 17 are cancelled. We have jurisdiction over the pending claims under 35 U.S.C. § 6(b).

We affirm.

STATEMENT OF THE CASE

Introduction

Appellants' invention "generally relates to on-line payments and more particularly to payments made from links on an on-line content page." Spec.

¶ 1.

Exemplary Claim

Claim 1 is exemplary of the invention and reads as follows:

1. A method of performing a payment, comprising:
 - receiving, by a payment provider processor, a request for a payment directly from a user
 - accessing a link from a content page, wherein the link is in-line with text as part of a non-payment related article on the content page and wherein the link and the content page do not directly convey to the user a solicitation to make a payment;
 - associating the link that does not directly convey to the user a solicitation to make a payment to a specific payment request related to the non-payment related article;
 - initiating a payment process in response to a two-step selection by the user comprising:
 - presenting the user with a new window overlaying a portion of the content to make the specific payment request after receiving an indication the user has moved an indicator over the link; and
 - presenting the user with a payment page to make a payment from the specific payment request after receiving an indication the user has clicked on a portion of the new window;
 - receiving information from the user through the payment page; and
 - processing the request based on the information to make a payment for the specific payment request.

Rejection

Claims 1, 2, 6–15, and 18–26 are rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 4.

ANALYSIS

We have considered all of Appellants' arguments and any evidence presented. We give the claim limitations the broadest reasonable interpretation consistent with the Specification. *See In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997). To the extent Appellants have not advanced separate, substantive arguments for particular claims, or other issues, such arguments are waived. *See* 37 C.F.R. § 41.37(c)(1)(iv). We highlight and address specific findings and arguments for emphasis in our analysis below.

Mayo/Alice Analysis under 35 U.S.C. § 101

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. Pty. Ltd. 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 those 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. Abstract ideas may include, but are not limited to,

fundamental economic practices, methods of organizing human activities, an idea of itself, and mathematical formulas or relationships. *Id.* at 2355–57.

If the claims are *not directed* to a patent-ineligible concept, *the inquiry ends*. See *Visual Memory LLC v. NVIDIA Corp.*, 867 F.3d 1253, 1262 (Fed. Cir. 2017). Otherwise, the inquiry proceeds to the second step in which 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, 78). We consider the question of whether the claims are directed to a *specific improvement* in the capabilities of the computing devices, or, instead, “a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).

We, therefore, decide under step two whether the claims: (a) set forth an *inventive concept* that provides a specific means or method that *improves* the relevant technology, or (b) are directed to a result or effect that itself is the abstract idea, in which the claims merely invoke generic processes and machinery. See *Enfish*, 822 F.3d at 1336.

Rejection under 35 U.S.C. § 101

Regarding the first part of the *Alice/Mayo* analysis, the Examiner concludes claims 1, 2, 6–15, and 18–26 are directed to the abstract idea of

“a fundamental economic practice and a method of organizing human activities.” Final Act. 5.¹

Regarding the second step of the *Mayo/Alice* analysis, the Examiner finds the claims considered as a whole are:

nothing more than the instruction to implement the abstract idea in a particular, albeit *well-understood, routine, and conventional* technological environment. The claim does not purport to improve the function of the computer itself, or to improve any other technology or technical field. Use of an unspecified *generic computer* does not transform an abstract idea into a patent-eligible invention. *Claims 2 and 6-13* do no more than provide additional instructions to implement the abstract idea in claim 1. Therefore, the claims do not amount to significantly more than the abstract idea of transaction processing.

Final Act. 6 (emphases added).²

The Examiner sets forth essentially the same reasoning for rejecting the remaining claims 14, 15, and 18–26 on appeal. Final Act. 6–7. The Examiner summarizes the basis for the rejection: “Viewed as a whole, the additional claim elements do not provide meaningful limitations sufficient to transform the abstract idea into a patent eligible application of the abstract idea such that the claims amount to significantly more than the abstract idea itself.” Final Act. 7.

¹ “Patent eligibility under § 101 presents an issue of law.” *Accenture Glob. Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1340 (Fed. Cir. 2013).

² The patent eligibility inquiry may contain underlying issues of fact. *Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1325 (Fed. Cir. 2016). In particular, “[t]he question of whether a claim element or combination of elements is well-understood, routine and conventional to a skilled artisan in the relevant field is a question of fact.” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1368 (Fed. Cir. 2018).

Thus, the Examiner concludes that claims 1, 2, 6–15, and 18–26 are not patent-eligible under 35 U.S.C. § 101.

Mayo/Alice Analysis — Step 1

In response, and regarding *Alice* Step 1, Appellants contend, *inter alia*:

the Examiner fails to identify the exact limitations of the claims that are allegedly directed to an *abstract idea*. Further, the Examiner fails to explain why “a method for a user to make a payment over a new pop-up window on a content page” corresponds to a concept that the courts have identified as an *abstract idea*. Indeed, no such *abstract idea* has been identified by the courts and the Examiner has erroneously gone beyond those concepts that are similar to what the court have identified as abstract idea.

App. Br. 9, emphases added.

We disagree with Appellants, because we conclude the claimed “method of performing a payment” (claim 1) is directed to a fundamental economic practice. The Supreme Court has identified fundamental economic practices as being directed to an abstract idea. *Alice*, 134 S. Ct. at 2355–57.

Nor do we find Appellants’ additional argument regarding preemption persuasive: i.e., “the present claims recite limitations that are narrowly focused such that they do not ‘tie up . . . excepted subject matter.’” App. Br. 11.

Our reviewing court provides applicable guidance: “[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Ariososa*

Diagnostics, Inc. v. Sequenom, Inc., 788 F.3d 1371, 1379 (Fed. Cir. 2015).

Therefore, we are not persuaded by Appellants' argument regarding the absence of complete preemption. App. Br. 11.

Mayo/Alice Analysis — Step 2

In support of the arguments advanced above regarding *Alice* Step 1 Appellants assert that “the present claims are closely analogized to those of *DDR Holdings*[:]”³

For example, the present claims recite: “initiating a payment process in response to a **two-step selection by the user** comprising: **presenting the user with a new window** overlaying a portion of the content to make the specific payment request **after receiving an indication the user has moved an indicator over the link; and presenting the user with a payment page** to make a payment from the specific payment request **after receiving an indication the user has clicked on a portion of the new window.**” (Emphasis added.) Thus, the present claims provide a solution to the business challenge of retaining users at an original website during a payment process. In this regard, the claimed solution employs a two-step user selection operation that utilizes pop-up windows overlaying the original content page for initiating payment transactions. For example, this may include the processing of contents on an interactive display, such as generation, selective display, and processing of active computer links. Similar to those found statutory in the *DDR Holdings*, the pending claims also “specify how interactions with the Internet

³ We note the arguments advanced by Appellants regarding *DDR Holdings* (under the “**Mayo Test-Part I**” heading in the Appeal Brief 8–11) are properly considered under *Mayo/Alice* step 2, because the court in *DDR Holdings* found under *any characterization of the abstract idea*, “the ‘399 patent's claims satisfy *Mayo/Alice* step two.” *DDR Holdings*, 773 F.3d at 1257. Emphasis added.

are manipulated to yield a desired result” and “recite an invention that is not merely the routine or conventional use of the Internet.”

Thus, similar to *DDR Holdings*, the claimed solutions (e.g., two-step user selection operation using a pop-up window in a website for payment process) to the identified business challenge (e.g., retaining users at the website) are “necessarily rooted in computer technology.” Therefore, the claims in the present application are necessarily rooted in challenges and solutions not possible in pre-Internet days. As such, similar to the claims in *DDR Holdings*, the present claims are not directed to an abstract idea.

App. Br. 9–10.

In response to Appellants’ arguments (*id.*), we do not find Appellants’ claims are similar to the claimed solution the court held to be patent-eligible in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014). In particular, we note the court in *DDR* emphasized that the ’399 patent claims *did not* “recite a fundamental economic or longstanding commercial practice.” *DDR*, 773 F.3d at 1257. As distinguished from the claims considered by the court in *DDR*, Appellants’ claims 1, 2, 6–15, and 18–26, which perform payments, *are* directed to a fundamental economic practice, for the reasons discussed above regarding *Alice* step 1.

In *DDR*, the Federal Circuit applied the Supreme Court’s *Alice* two-step framework, and upheld the validity of *DDR*’s patent on its web-page display technology. *DDR*, 773 F.3d at 1255. However, we find the problem addressed by Appellants’ claims (performing payments) is also not similar or otherwise analogous to the specific technical problem addressed by the subject claims in *DDR*, which were directed to *retaining a website visitor when the visitor clicked on a third-party merchant’s advertisement on the host website*. Instead of taking the visitor to the third-party merchant’s

website (and thus losing the visitor to the third-party merchant), *DDR*'s claimed system generated a *hybrid web page* that: (1) displayed product information from the third-party merchant, but also (2) retained the host website's "look and feel."

As distinguished from the claims considered by the court in *DDR*, Appellants' claims 1, 2, 6–15, and 18–26 are not directed to generating a *hybrid web page* that retains the host website's "look and feel" while displaying product information from a *third-party merchant*. See *DDR*, 773 F.3d at 1257. Although Appellants' invention is directed to the result of "processing the request . . . to make a payment for the specific payment request" by using "a payment page" (claim 1), we find no language in the claims on appeal that focuses on a specific means or method that *improves* the recited generic processor that performs all the recited steps or functions of claims 1, 2, 6–15, and 18–26.

In particular, we find the claims on appeal are *silent* regarding specific limitations directed to an *improved* computer system, processor, memory, network, database, or Internet. Therefore, we find Appellants' claimed invention does not provide a solution "necessarily rooted in *computer technology* in order to overcome a problem specifically arising in the realm of computer networks." *DDR*, 773 F.3d at 1257. (Emphasis added).

Further, regarding the use of the recited generic processor(s), the Supreme Court held "the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention." *Alice*, 134 S. Ct. at 2358; see also *Bascom Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1348 (Fed. Cir. 2016) ("An abstract

idea on ‘an Internet computer network’ or on a generic computer is still an abstract idea.”).

Our reviewing court has “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) (internal citations omitted); *see also Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1341 (Fed. Cir. 2017) (“Rather, the claims recite both a generic computer element—a processor—and a series of generic computer ‘components’ that merely restate their individual functions That is to say, they merely describe the functions of the abstract idea itself, without particularity. This is simply not enough under step two.”).

Because none of Appellants’ claims are directed to an *improvement* in a processor, database, or other computer/network component, we conclude that none of the claim limitations, viewed both individually and as an ordered combination, amount to significantly more than the judicial exception in order to sufficiently transform the nature of the claims into patent-eligible subject matter.

In light of the foregoing, we conclude, under the *Mayo/Alice* analyses, that each of Appellants’ claims 1, 2, 6–15, and 18–26, considered as a whole, is directed to a *patent-ineligible abstract idea* (under *step one*), and under *step two*, does not recite something “*significantly more*” to transform the nature of the claim into a patent-eligible application.

Accordingly, for the reasons discussed above, we sustain the Examiner's rejection under 35 U.S.C. § 101 of claims 1, 2, 6–15, and 18–26, as being directed to patent-ineligible subject matter.⁴

CONCLUSION

The Examiner did not err in rejecting claims 1, 2, 6–15, and 18–26, under 35 U.S.C. § 101, as being directed to patent-ineligible subject matter.

DECISION

We affirm the Examiner's decision rejecting claims 1, 2, 6–15, and 18–26 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). *See* 37 C.F.R. § 41.50(f).

AFFIRMED

⁴ To the extent Appellants have not advanced separate, substantive arguments for particular claims, or other issues, such arguments are waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).