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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MIKHAIL BLINOV

Appeal 2017-003895
Application 13/600,365[1]
Technology Center 3600

Before JOHNNY A. KUMAR, JENNIFER S. BISK, and HUNG H. BUI, *Administrative Patent Judges*.

KUMAR, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant seeks our review under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 8–13 and 20–34. Claims 1–7 and 14–19 are cancelled. Claims App'x. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.[2]

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[1] According to Appellant, the real party in interest is MasterCard International Incorporated. App. Br. 3.

[2] Our Decision refers to Appellant's Appeal Brief ("App. Br.") filed July 26, 2016; Reply Brief ("Reply Br.") filed January 3, 2017; Examiner's Answer ("Ans.") mailed October 31, 2016; Final Office Action ("Final Act.") mailed November 23, 2015; and original Specification ("Spec.") filed August 31, 2012.

STATEMENT OF THE CASE

Appellant's Invention

Current online transactions typically require a consumer to order and purchase goods and make payment with a credit or debit card with "full card details to the online merchant" and the "merchant carries out an authorization request for the stated amount, obtains an authorization response, and *if this is affirmative*, delivers the goods" ordered, and then the "merchant obtains the stated amount via a clearing and settlement process." Spec. 1:7–12; 11:24–28. However, such online transactions are vulnerable to "improper use of the consumer's card details by unscrupulous merchants and/or third parties who have obtained the details in an improper manner." Spec. 1:13–16.

As such, Appellant proposes providing the merchant with "a special 'credit only' payment card account" that "has all the properties of a normal card amount except that . . . it only be used for credit, not debit, transactions (i.e., transferring money to it, not taking money from it" (Spec.12:29–31) and that can be given "to the consumer together with the amount of the order and a reference number [assigned] for the particular purchase" via a payment network, shown in Figure 4 (Spec. 14:13–15) so that the consumer can "pay for goods by transferring money to the merchant's [credit-only] card instead of providing details of the consumer's [credit] card to the merchant" (Spec. 11:20–22) by way of the consumer approving "the purchase in a separate interaction with his or her bank" (Spec. 12:11–12) and "the consumer's bank . . . sends a payment guarantee to the merchant's bank." (Spec. 15:25–26).

Appellant's Figure 4 is reproduced below for illustration purposes.

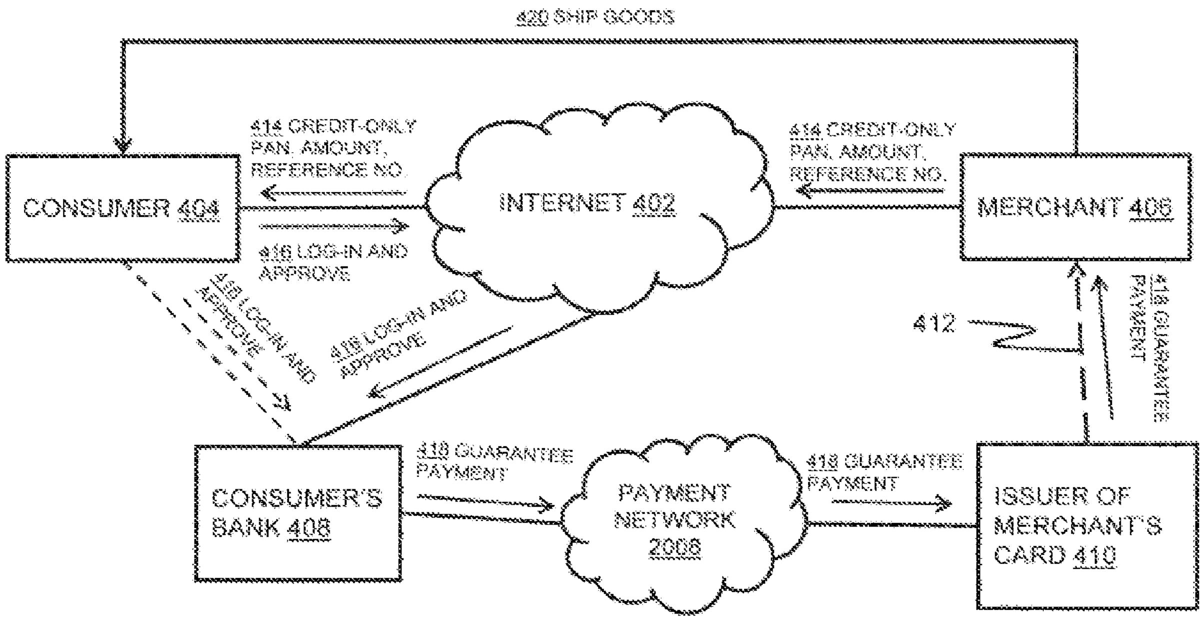

Figure 4 shows a data flow diagram for online transactions using merchant's "credit-only" payment card account between (1) consumer 404 and consumer's bank 408, and (2) merchant 406 and merchant's bank 410.

Illustrative Claim

Claims 8, 20, 26, and 27 are independent. Representative claim 8 is reproduced below with disputed limitations in *italics*:

> 8. A method comprising the steps of:
>
> [1] *assigning, by a merchant's bank, to said merchant an account number of a credit only payment card account*;
>
> [2] obtaining, by said merchant's bank from a consumer's bank, a guarantee that said consumer will cause a total transaction amount of an on-line transaction to be credited to said credit-only payment card account number of said merchant, said guarantee being associated with a reference number of said on-line transaction; and
>
> [3] dispatching, by said merchant's bank, said guarantee to said merchant.

App. Br. 27 (Claims App'x) (bracketing added).

EXAMINER'S REJECTIONS and REFERENCES

(1) Claims 8–13 and 20–27 [sic, claims 8–13 and 20–34] stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to a patent-ineligible "abstract idea" without significantly more. Final Act. 4–5; Ans. 15–17.

(2) Claims 8, 13, 20, and 25–28 stand rejected under 35 U.S.C. § 103(a) as being obvious over O'Leary et al. (US 2003/0140004 A1; published July 24, 2003; "O'Leary"), Nappi (US 8,010,451 B1; issued Aug. 30, 2011), and Bhinder (US 2011/0302083 A1; published Dec. 8, 2011). Final Act. 6–9.

(3) Claims 9, 21, and 30 stand rejected under 35 U.S.C. § 103(a) as being obvious over O'Leary, Nappi, Bhinder, and Frid-Nielsen et al. (US 8,116,288 B2; issued Feb. 14, 2012; "Frid-Nielsen"). Final Act. 9–10.

(4) Claims 10 and 22 stand rejected under 35 U.S.C. § 103(a) as being obvious over O'Leary, Nappi, Bhinder, and Oaks et al. (US 2010/0094671 A1; published Apr. 15, 2010; "Oaks"). Final Act. 10–11.

(5) Claims 11, 12, 23, 24, and 29 stand rejected under 35 U.S.C. § 103(a) as being obvious over O'Leary, Nappi, Bhinder, and Sobek (US 2005/0080728 A1; published Apr. 14, 2005). Final Act. 11–13.

(6) Claims 31–34 stand rejected under 35 U.S.C. § 103(a) as being obvious over O'Leary, Nappi, Bhinder, Frid-Neilsen, and Sobek. Final Act. 13–17.

ANALYSIS

Patent-Eligible Subject Matter

To determine whether subject matter is patent-eligible under § 101, the Supreme Court has set forth a two part test "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. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2355 (2014). The first step in the analysis is to "determine whether the claims at issue are directed to one of those patent-ineligible concepts," such as an abstract idea. *Id.* If the claims are directed to eligible subject matter, the inquiry ends. *Thales Visionix Inc. v. United States*, 850 F.3d 1343, 1349 (Fed. Cir. 2017); *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1339 (Fed. Cir. 2016).

If the claims are directed to a patent-ineligible concept, the second step in the analysis is to consider the elements of the claims "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." *Alice*, 134 S. Ct. at 2355 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 79, 78 (2012)). In other words, the second step is to "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.'" *Id.* (quoting *Mayo*, 566 U.S. at 72–73). "'[W]ell-understood, routine, [and] conventional activit[ies]' previously known to the industry" are insufficient to transform an abstract idea into patent-eligible subject matter. *Id.* at 2359 (quoting *Mayo*, 566 U.S. at 73).

In rejecting claims 8–13 and 20–34 under 35 U.S.C. § 101, the Examiner determines these claims are directed to the abstract idea of "allowing purchasing by a crediting a merchant's card" which is "[a] fundamental economic practice[]." Final Act. 5; Ans. 8. The Examiner also determines the additional elements in the claims do not amount to significantly more than the abstract idea itself because these claims: (1) "do not effect an improvement to another technology or technical field;" (2) "do not amount to an improvement to the functioning of a computer itself;" (3) "do not move beyond a general link of the use of an abstract idea to a particular technological environment"; (4) "amount to nothing more than requiring a generic computer system to merely carry out the abstract idea itself;" and (5) "are nothing more than the instruction to implement the abstract idea in a particular, albeit well-understood, routine, and conventional technological environment." Final Act. 5.

At the outset, Appellant argues the Examiner has not established a prima facie case of patent ineligibility under 35 U.S.C. § 101 because (1) the Examiner "oversimplifies and mischaracterizes" the claims and (2) the Examiner fails to provide any evidentiary support for the allegation that the claims are directed to an abstract idea. App. Br. 8–10 (quoting *Ex parte Renald Poisson,* Appeal No. 2012-011084, p. 5 (PTAB 2015); Reply Br. 9–12.

Appellant's arguments are not persuasive. First, patent eligibility under 35 U.S.C. § 101 is a question of law that is reviewable *de novo* (*see Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333 (Fed. Cir. 2012)). In particular, the question of whether a claim is directed to an abstract idea under *Alice* step 1 is still a question of law even after *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1366 (Fed. Cir. 2018).[3] *See, e.g.*, *In re Wang*, 737 Fed. App'x 534, 535 (Fed. Cir. 2018); *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1338 (Fed. Cir. 2017); *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1331 (Fed. Cir. 2015) ("We review questions concerning compliance with the doctrinal requirements of § 101 of the Patent Act (and its constructions) as questions of law, without deference to the trial forum."); *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362 (Fed. Cir. 2015) ("Patent eligibility under 35 U.S.C. § 101 is an issue of law reviewed de novo."); *Prometheus Labs., Inc. v. Mayo Collaborative Servs.*, 628 F.3d 1347, 1353 (Fed. Cir. 2010) ("Whether a patent claim is directed to statutory subject matter is a question of law that we review *de novo*."), *rev'd on other grounds*, *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012); *In re Bilski*, 545 F.3d 943, 951 (Fed. Cir. 2008) (en banc) ("Whether a claim is drawn to patent-eligible subject matter under § 101 is an issue of law that we review de novo."), *aff'd in part, rev'd in-part*, *Bilski v. Kappos*, 561 U.S. 593 (2010). We are aware of no controlling authority that requires the Office to provide factual evidence to support a determination that a claim is directed to an abstract idea.

Second, Appellant's reliance on *Ex parte Poisson* is misplaced. *See* App. Br. 9–10 (citing Appeal 2012-011084, slip op. at 5) (PTAB Feb. 27,

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[3] In *Berkheimer*, the Federal Circuit held that "[w]hether something [(i.e., additional elements beyond the abstract idea)] is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a factual determination." *See Berkheimer*, 881 F.3d at 1369. However, that question is not at issue in this case, and *Berkheimer* is limited to *Alice* step 2 of the two-step analysis, and is only applicable after a determination is made that a patent claim is directed to an abstract idea under *Alice* step 1.

2015). Non-precedential Board decisions, including *Ex Parte Poisson*, are not binding, and are typically limited to the facts of those cases. Moreover, the Board did not hold in *Ex parte Poisson* that evidence, beyond that contained in the application itself, must be provided to support the Examiner's determination that the claims are directed to an abstract idea. There is simply no such requirement. Instead, the Federal Circuit has repeatedly noted that "the prima facie case is merely a procedural device that enables an appropriate shift of the burden of production." *Hyatt v. Dudas*, 492 F.3d 1365, 1369 (Fed. Cir. 2007) (citing *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992)). The court has held that the USPTO carries its procedural burden of establishing a prima facie case when its rejection satisfies the requirements of 35 U.S.C. § 132 by notifying the applicant of the reasons for rejection, "together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application." *In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011). Thus, all that is required of the Office is that it set forth the statutory basis of the rejection in a sufficiently articulate and informative manner as to meet the notice requirement of 35 U.S.C. § 132. *Id.*, *see also Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990) (Section 132 "is violated when [the] rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.").

Appellant does not contend that the Examiner's rejection under 35 U.S.C. § 101 cannot be understood or that the Examiner's rejection, otherwise, fails to satisfy the notice requirements of 35 U.S.C. § 132. Indeed, Appellant's understanding of the rejection is clearly manifested by their response as set forth in the briefs.

Alice/Mayo—Step 1 (Abstract Idea)

Turning to the first step of the *Alice* inquiry, Appellant argues the claims are not directed to an abstract idea because: (1) "'allowing purchasing by crediting a merchant's card on a computer,' and especially doing so in the specific manner recited in the claims (e.g., implementing 'a credit-only payment card account'), is not 'a fundamental economic practice long prevalent in our system of commerce'" like the claims in *Bilski v. Kappos*, 561 U.S. 593 (2010) and *Alice*; and (2) the claims similar or analogous to the claims in *Diamond v. Diehr*, 450 U.S. 175 (1981) because Appellant's claims "improve[] an existing technological process" and, as such, are patent eligible. App. Br. 10–12.

Appellant's arguments are not persuasive. First, we note the Supreme Court's decisions in *Bilski* and *Alice* is not limited to those "business method" concepts that are "fundamental and long prevalent" such as "the risk hedging claims of *Bilski* and the intermediate settlement concept at issue in *Alice*," as Appellant argues. App. Br. 10; Reply Br. 11–12. Rather, the Federal Circuit has identified numerous examples of "business method" concepts as "abstract ideas that are not fundamental, long prevalent, or concepts that have been in use for an extensive period of time." See PTO's examples located at https://www.uspto.gov/sites/default/files/documents/ieg-july-2015-qrs.pdf.

Second, Appellant's reliance on *Diehr* is misplaced because *Diehr* is not the appropriate authority for this case and does not address claims directed to "a fundamental economic practice" as an abstract idea similarly to Appellant's claims. For example, the Supreme Court in *Diehr* held that a computerized process for curing synthetic rubber into a rubber product —

the process including several steps reciting the use of a well-known mathematical formula and a programmable digital computer — is a patent-eligible "process" under 35 U.S.C. § 101.

Diehr's Figure 1 is representative of U.S. Patent No. 4,344,142 ("*Diehr*'s '142 patent") titled "*Direct Digital Control of Rubber Molding Presses*" as reproduced below:

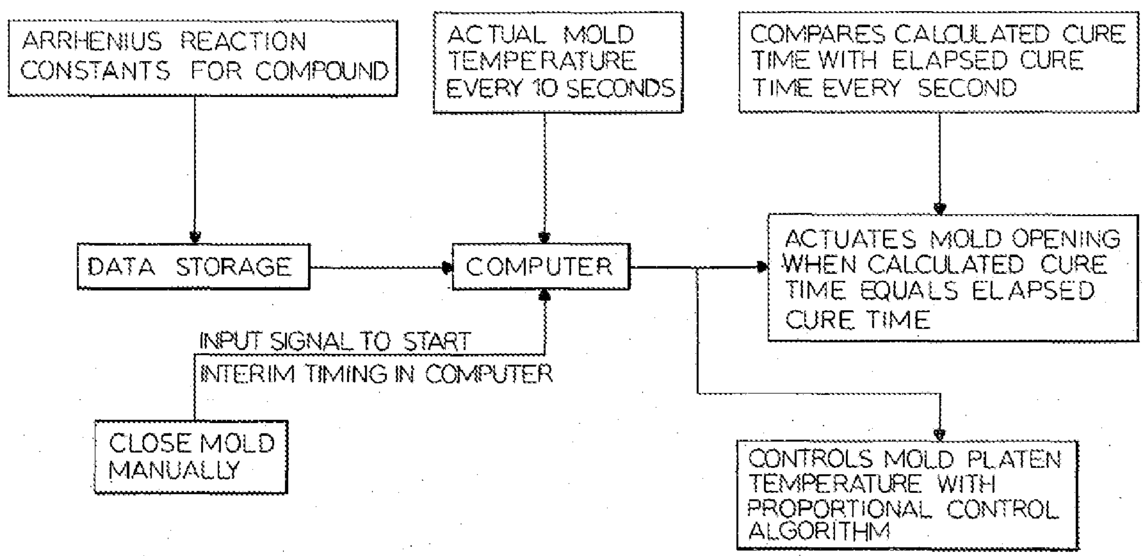

FIG. 1

As shown in *Diehr*'s Figure 1, the process of curing synthetic rubber monitors the temperature of a mold inside a press, and uses a well-known mathematical formula (i.e., the Arrhenius equation) to calculate the required cure time based on the measured temperature and to determine when to open the press and remove the cured, molded rubber, as recited in *Diehr's* claims. '142 patent, 2:17–37, 3:29–4:5. In other words, *Diehr*'s claim requires a practical application of such a mathematical algorithm, i.e., using a mathematical algorithm in the context of a molding press to transform synthetic rubber into cured rubber products.

The Supreme Court recognized that (1) mere inclusion of an "abstract idea" in a process does not make the process patent-ineligible, and (2) even if an "abstract idea" (i.e., mathematical algorithm or formula embedded in a process) is unpatentable, the overall claimed process — taken as a whole and resulting in a physical and chemical transformation from synthetic rubber to cured, molded rubber — falls within the scope of patentable subject matter. *See Diehr*, 450 U.S. at 183–89.

In contrast to *Diehr*, Appellant's claims and Specification are directed to "electronic payment systems" which provide a merchant with "a special 'credit only' payment card account" that can be given "to the consumer together with the amount of the order and a reference number [assigned] for the particular purchase" via a payment network, shown in Figure 4 (Spec. 12:20–24, 13:25–29) so that the consumer can "pay for goods by transferring money to a merchant's [credit-only] card instead of providing details of the consumer's [credit] card to the merchant" (Spec. 11:20–22; 12:3–4) by way of the consumer approving "the purchase in a separate interaction with his or her bank" (Spec. 12:11–12) and "the consumer's bank [] sends a payment guarantee to the merchant's bank." (Spec. 15:25–28).

Appellant's Figure 4 shows online transactions using merchant's "credit-only" payment card account between (1) consumer 404 and consumer's bank 408, and (2) merchant 406 and merchant's bank 410, as reproduced below for illustration purposes.

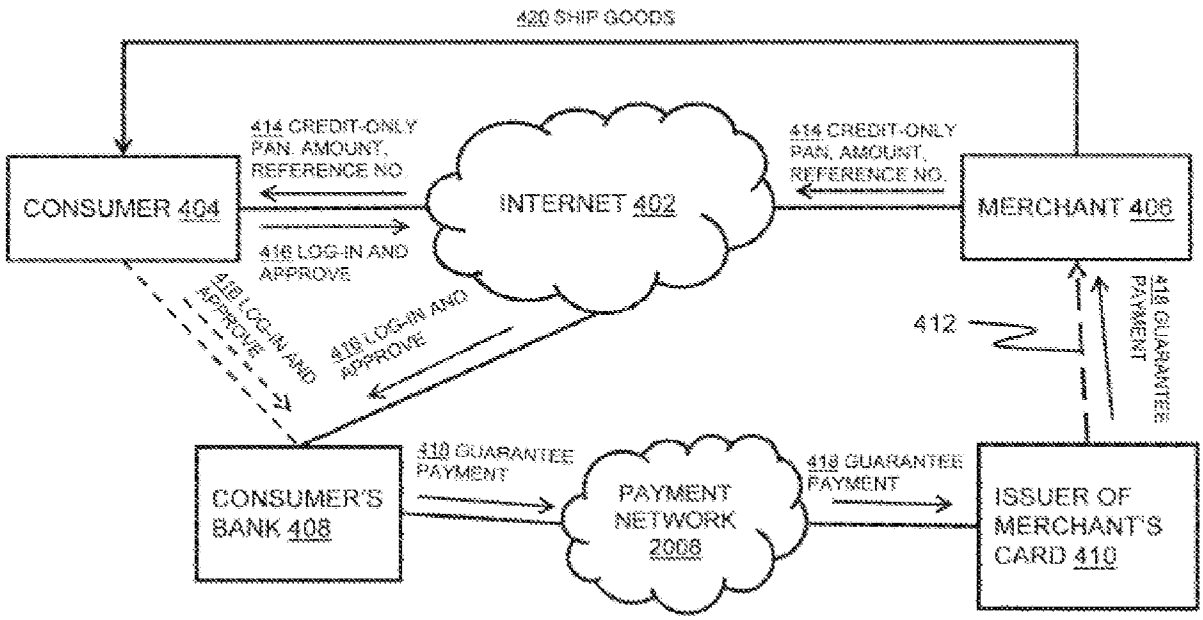

Figure 4 shows a data flow diagram for online transactions using merchant's "credit-only" payment card account between (1) consumer 404 and consumer's bank 408, and (2) merchant 406 and merchant's bank 410.

A more appropriate authority for this case is (1) *Bilski* where the Supreme Court unanimously held that *Bilski's* method of hedging risk in commodities trading is "a fundamental economic practice long prevalent in our system of commerce" and, as such, is a patent-ineligible "abstract idea"; and (2) *Alice* where the Supreme Court also held that *Alice's* "process" claims, like *Bilski's* claims, recite a patent-ineligible "abstract idea" of intermediated settlement risk management — "a fundamental economic practice long prevalent in our system of commerce," i.e., "a building block of the modern economy." *Alice*, 134 S. Ct. at 2357, 2356.

Similar to the Supreme Court's decisions in *Bilski* and *Alice*, the Federal Circuit case on point is *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1354 (Fed. Cir. 2014) where the Federal Circuit held that patent claims relating to a guaranty service for online transactions is a patent-ineligible "abstract idea" under § 101.

Based on Appellant's claims and Specification, we agree with the Examiner that the claims are directed to an abstract idea of "allowing purchasing by a crediting a merchant's card" which is considered "a fundamental economic practice." Final Act. 5; Ans. 16. Such activities are squarely within the realm of abstract ideas. Online transactions, whether by way of a consumer's credit or debit card (as commonly available) or by way of crediting a merchant's "credit-only" card account (as disclosed by Appellant's invention) is a fundamental business practice in our system of commerce, like (1) the risk hedging in *Bilski*; (2) the intermediated settlement in *Alice*; (3) verifying credit card transactions in *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1370 (Fed. Cir. 2011); (4) guaranteeing online transactions in *buySAFE*; (5) distributing products over the Internet in *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014); (6) determining a price of a product offered to a purchasing organization in *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306 (Fed. Cir. 2015); and (7) pricing a product for sale in *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359 (Fed. Cir. 2015). Online transactions, whether by way of crediting a merchant's "credit-only" card account is also a building block of a market economy and, like risk hedging and intermediated settlement, is an "abstract idea" beyond the scope of § 101. *See Alice*, 134 S. Ct. at 2356.

Separately, we note Appellant's claims 8, 20, 26, and 27 do not improve the performance of a computer or solve a problem specific to computers or computer networks. Appellant's Specification and arguments do not demonstrate the claims "improve the way a computer stores and retrieves data in memory," as the claims in *Enfish* did via a "self-referential table for a computer database." *See Enfish*, 822 F.3d at 1336, 1339. Instead, as recognized by the Examiner, the claimed invention does not provide a technical improvement or improve an existing technological process. Ans. 16.

Accordingly, we agree with the Examiner that claims 8–13 and 20–34 are directed to an abstract idea of "allowing purchasing by a crediting a merchant's card" which is considered "a fundamental economic practice." Final Act. 5; Ans. 8.

Alice/Mayo—Step 2 (Inventive Concept)

In the second step of the *Alice* inquiry, Appellant argues (1) "[e]mbodiments of the claimed invention have concrete and tangible applications and represent significant improvements to technologies in the marketplace, for example, by providing enhanced security for Internet commerce transactions" and (2) "[g]iven the technological benefits associated with embodiments of the present invention . . . the claims contain 'an "inventive concept" sufficient to "transform" the claimed abstract idea into a patent-eligible application.'" App. Br. 11–13.

We disagree. According to *Alice*, the second step is to "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*, 134 S. Ct. at 2355 (quoting *Mayo*, 566 U.S. at 72–73). The most relevant Federal Circuit cases on point include (1) *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) and (2) *Amdocs (Isr.) Ltd. v. Openet Telecom, Inc.*, 841

F.3d 1288 (Fed. Cir. 2016). Both involve business-centric inventions that are similar to Appellant's invention.

For example, the Federal Circuit found *DDR's* claims contain an "inventive concept" under *Alice* step 2 because *DDR's* claims (1) do not merely recite "the performance of some business practice known from the pre-Internet world" previously disclosed in *Bilski* and *Alice*, but instead (2) provide a technical solution to a technical problem unique to the Internet, i.e., 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. Likewise, the Federal Circuit also found *Amdocs*' claims contain a sufficient "inventive concept" because, like *DDR*, *Amdocs*' claims "entail[] an unconventional technological solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases)" and "improve the performance of the system itself." *Amdocs*, 841 F.3d at 1300, 1302.

In contrast to *DDR* and *Amdocs*, Appellant's invention does not provide a technical solution to a technical problem unique to the Internet, i.e., 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. Nor does Appellant's invention entail, like *Amdocs*, any "unconventional technological solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases)" and "improve the performance of the system itself." *Amdocs*, 841 F.3d at 1300, 1302. As such, we find no element or combination of elements recited in Appellant's claims 8, 20, 26, and 27 that contains any "inventive concept" or adds anything "significantly more" to transform the abstract concept into a patent-eligible application. *Alice*, 134 S. Ct. at 2357. Instead, we agree with the Examiner that the additional elements recited in Appellant's claims 8, 20, 26, and 27 (e.g., processor, memory, merchant's bank, and consumer's bank) do not transform the abstract idea into a patent eligible invention. Ans. 16. As our reviewing court has observed, "after *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible." *DDR*, 773 F.3d at 1256 (citing *Alice*, 134 S. Ct. at 2358).

Because Appellant's claims 8, 20, 26, and 27 are directed to a patent-ineligible abstract concept and do not recite something "significantly more" under the second prong of the *Alice* analysis, we sustain the Examiner's rejection of claims 8–13 and 20–34 under 35 U.S.C. § 101.

Obviousness

Claims 8, 13, 20, and 25–28

In support of the § 103 rejection of independent claims 8, 20, 26, and 27, the Examiner finds O'Leary teaches an issuer of a merchant's bank comprising

> a memory . . . and at least one processor . . . operative to: [2] obtain, by said merchant's bank from a consumer's bank, a guarantee that said consumer will cause a total transaction amount of an on-line transaction to be credited to said credit-only payment card account number of said merchant, said guarantee being associated with a reference number of said on-line transaction . . .; and [3] dispatch, by said merchant's bank, said guarantee to said merchant."

Final Act. 6 (citing O'Leary ¶¶ 19, 71, 77, 82–83).

To support the conclusion of obviousness, the Examiner relies on Nappi for teaching [1] "assigning to a merchant an account number of a credit-only payment card account" and Bhinder for teaching that assignment is handled by a merchant's bank. Final Act. 7 (citing Nappi 3:2–6, 4:31–42; Bhinder ¶ 170).

Appellant does not dispute the Examiner's factual findings regarding O'Leary. Instead, Appellant disputes the Examiner's findings regarding Nappi. In particular, Appellant argues Nappi only "suggests that credit-only (CO) identifiers should be assigned by an outside 'sales organization' (e.g., 702 in Fig. 7 or 802 in Fig. 8), rather than by a merchant's bank" and, as such, does not teach the disputed limitation: "assigning, by a merchant's bank, to said merchant an account number of a credit-only payment card account" as recited in claim 8, and similarly recited in claims 20, 26, and 27. App. Br. 15; Reply Br. 19 (emphasis omitted). In addition, Appellant argues:

> Nappi expressly teaches away from the limitations of the independent claims directed to <u>obtaining a guarantee by said merchant's bank from a consumer's bank</u>, and also from the arrangement taught by O'Leary at paragraph [0082]. Rather, Nappi suggests that, when using credit-only identifiers, virtual cash should be obtained by a merchant's bank from a third party payment processor, rather than from the consumer's bank.

App. Br. 17; Reply Br. 21.

Appellant's arguments are not persuasive. Instead, we find the Examiner has provided a comprehensive response to Appellant's arguments supported by evidence. Ans. 17–18. As such, we adopt the Examiner's findings and explanations provided therein. *Id.* For additional emphasis, we note Appellant cannot show non-obviousness by attacking references individually where the rejection is based on the combination of references. *In re Keller*, 642 F.2d 413, 425 (CCPA 1981). "The test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference . . . . Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art." *Id.*

Contrary to Appellant's arguments, O'Leary (not Nappi) teaches "obtain[ing], by said merchant's bank from a consumer's bank, a guarantee" as recited in claims 8, 20, 26, and 27. Final Act. 6 (citing O'Leary ¶ 82). Likewise, both Nappi and Bhinder (not just Nappi) are relied upon for teaching the disputed limitation: "assigning, by a merchant's bank, to a said merchant an account number of a [credit-only] payment card account" as recited in claims 8, 20, 26, and 27. Final Act. 7 (citing Nappi 3:2–6, 4:31–42; Bhinder ¶ 170). Moreover, the elements recited in claims 8, 20, 26, and 27, including: (1) the assignment of a merchant's "account number of a credit-only payment card account" as evidenced from Nappi and Bhinder, and (2) the use of "a guarantee" for that account to make on-line payment as evidenced from O'Leary, are known and predictable prior art elements necessary for financial transactions in our financial institutions. As the Supreme Court recognizes, "[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results" from "the predictable use of prior art elements according to their established functions." *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 416–17 (2007). Because (1) the assignment of a merchant's "account number of a credit-only payment card account" and (2) the use of "a guarantee" for that account to make on-line payment are known and predictable prior art elements, we are not persuaded that Nappi and Bhinder teach away from the combination of references.

For these reasons, we sustain the Examiner's rejection of independent claims 8, 20, 26, and 27 and dependent claims 13, 25, and 28, argued for their dependency on claims 8, 20, and 27.

Claims 9, 21, and 30

Claim 9 depends from independent claim 8, and further recites "reformatting, by said merchant's bank, said guarantee prior to dispatching said guarantee to said merchant" (hereinafter the "reformatting" limitation). Claims 21 and 30 recite similar limitations. The Examiner further relies on Frid-Nielsen for teaching the "reformatting" limitation. Final Act. 9 (citing Frid-Nielsen 11:25–49).

Appellant acknowledges Frid-Nielsen teaches that "data should be reformatted before transmission" but argues Frid-Nielsen's reformatting is not the same as Appellant's claimed "guarantee." App. Br. 18.

We disagree. An obviousness "analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ." *KSR*, 550 U.S. at 418. Data generated for every financial transaction online has to be formatted and reformatted for purposes of ensuring data compatibility between electronic financial systems, as evidenced from Frid-Nielsen as well as Sobek (*see* Sobek ¶¶ 11, 43, 51–52, 54, 56, 58, 64, 67, 71, 75; Figs. 3, 10, 12, 14).

For these reasons, we sustain the Examiner's rejection of claims 9, 21, and 30.

Claims 10 and 22

Claim 10 depends from independent claim 8, and further recites: "intercepting an attempt to debit said credit-only payment card account; and preventing said attempt to debit said credit-only payment card account, based on credit-only status of said credit-only payment card account." Claim 22 recites similar limitations. The Examiner further relies on Oaks for teaching these limitations. Final Act. 11 (citing Oaks ¶ 4).

Appellant argues Oaks only "suggests '(1) diverting PLD transactions to the processing service for further processing and (2) causing non-PLD transactions to be transparently processed according to a client's specific payment processing procedures'" and, as such, does not teach "preventing an attempt to debit a credit-only payment card account" as recited in claims 10 and 22. App. Br. 20 (citing Oaks ¶¶ 15, 26).

We agree with Appellant and, in the absence of the Examiner's response to Appellant's argument (*see* Ans. 17–18), we are constrained to reverse the Examiner's rejection of claims 10 and 22.

Claims 11, 12, 23, 24, and 29

Claim 11 depends from independent claim 8, and further recites that "guarantee comprises an ISO-8583 message type 0100 with transaction type twenty eight" (hereinafter the "standard data format" limitation). Claims 12, 23, 24, and 29 recite similar limitations. The Examiner further relies on Sobek for teaching the "standard data format" limitation. Final Act. 11–12 (citing Sobek ¶ 11).

Appellant acknowledges Sobek teaches formatting transaction data as an ISO-8583 compatible message, but argues that Sobek's teaching is not applicable in the context of Appellant's invention. App. Br. 20–21.

We disagree. For the same reasons discussed relative to claims 9, 21, and 30, we sustain the Examiner's rejection of claims 11, 12, 23, 24, and 29.

Claims 31–34

Claim 31 depends from independent claim 8, and further recites: "reformatting, by said merchant's bank prior to dispatching said guarantee to said merchant, said guarantee from an IS0-8583 message to a proprietary format agreed to by said merchant and said merchant's bank." Claims 32–34 recite similar limitations.

The Examiner further relies on (1) Frid-Nielsen for teaching the "reformatting" limitation and (2) Sobek for teaching the "standard data format" limitation. Final Act. 13–14 (citing Frid-Nielsen 11:25–49; Sobek ¶ 11).

Appellant presents the same arguments against claims 9, 11, 12, 21, 23, 24, 29, and 30. App. Br. 22–25. For the same reasons discussed, we also sustain the Examiner's rejection of claims 31–34.

CONCLUSION

On the record before us, we conclude Appellant has not demonstrated the Examiner erred in rejecting claims 8–13 and 20–34 under 35 U.S.C. § 101. We also conclude Appellant has not demonstrated the Examiner erred in rejecting claims 8, 9, 20, 21, and 23–34 under 35 U.S.C. § 103, but has demonstrated the Examiner erred in rejecting claims 10 and 22 under 35 U.S.C. § 103.

DECISION

As such, we AFFIRM (1) the Examiner's final rejection of claims 8–13 and 20–34 under 35 U.S.C. § 101 and (2) the Examiner's final rejection of claims 8, 9, 20, 21, and 23–34 under 35 U.S.C. § 103. However, we REVERSE the Examiner's final rejection of claims 10 and 22 under 35 U.S.C. § 103.

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