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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte PAUL J. LATIMER

Appeal 2017-003916¹
Application 13/362,207²
Technology Center 3600

Before ANTON W. FETTING, BRUCE T. WIEDER, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

MEYERS, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner's Non-Final Rejection of claims 1, 4–6, 9–13, and 16–24. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellant's Appeal Brief ("Br.," filed March 22, 2016), the Examiner's Answer ("Ans.," mailed August 29, 2016), and Non-Final Office Action ("Non-Final Act.," mailed October 23, 2015).

² Appellant identifies NCR Corporation as the real party in interest (Br. 2).

CLAIMED INVENTION

Appellant's claims relate generally "to remote check deposits, and is particularly directed to methods of processing check image data from a remote deposit capture device to detect a duplicate check deposit" (Spec. ¶ 1).

Claims 1, 10, 17, and 21 are the independent claims on appeal. Claim 1, reproduced below with minor formatting changes and added bracketed notations, is illustrative of the subject matter on appeal:

1. A method of operating a check image data processing facility to prevent a duplicate check from being deposited while a customer is attempting to deposit a check during a check deposit transaction at a remote deposit capture device which is remote from the check image data processing facility, the method comprising:

[a] electronically by a processor, receiving from the remote deposit capture device check image data which is representative of an image of the check being attempted to be deposited by the customer while the customer is conducting the check deposit transaction at the remote deposit capture device;

[b] electronically by a processor, attempting to read a magnetic ink character recognition (MICR) code line from the check image;

[c] electronically by a processor, determining if a MICR code line is readable from the check image;

[d] electronically by a processor, determining if the MICR code line matches a MICR code line stored in a check item database when a MICR code line is readable from the check image;

[e] electronically by a processor, extracting check data from at least one focus area of the check image when the MICR code line from the check image matches the MICR code line stored in the check item database;

[f] electronically by a processor, determining if the check which is being attempted to be deposited by the customer at the remote deposit capture device is a duplicate check based upon the extracted check data from the at least one focus area of the check image, the determining comprising:

[g] counting a number of black pixels present in a sampled column of the at least one focus area;

[h] calculating a metric associated with the at least one focus area of the check image based upon the extracted check data from the at least one focus area of the check image;

[i] calculating a difference between the calculated metric and an associated statistical value stored in the check item database, wherein the calculated difference is representative of whether or not the check which is being attempted to be deposited by the customer at the remote capture device is a duplicate check; and

[j] when the calculated difference between the calculated metric and the associated statistical value stored in the check item database meets predetermined criteria, electronically by a processor, transmitting a message to the remote deposit capture device to indicate to the customer that the check which is being attempted to be deposited, a second time, by the customer is a duplicate check after a determination has been made that the check is a duplicate check and thereby to prevent the duplicate check from being deposited while the customer is conducting the check deposit transaction at the remote deposit capture device.

REJECTION

Claims 1, 4–6, 9–13, and 16–24 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

ANALYSIS

Patent ineligible subject matter

Independent claims 1, 10, 17, and 21, and dependent claims 4–6, 9, 11–13, 16, 18–20, and 22–24

Appellant argues claims 1, 4–6, 9–13, and 16–24 as a group (see Br. 4–8). We select independent claim 1 as representative. Claims 4–6, 9–13, and 16–24 stand or fall with independent 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. 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)).

In rejecting the pending claims under 35 U.S.C. § 101, the Examiner determined that the claims are “directed to the abstract idea of fundamental commercial or business practices of processing check image data from a remote deposit capture device to detect a duplicate check deposit” (Non-Final Act. 3). The Examiner also determined that the additional elements or combination of elements in the claims, other than the abstract idea, amounts to “no more than: (i) mere instructions to implement the idea on a computer, and/or (ii) recitation of generic computer structure that serves to perform generic computer functions that are well-understood, routine, and conventional activities previously known to the pertinent industry”; and that viewed as a whole, these additional claim elements do not provide meaningful limitations 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 (Non-Final Act. 3–5; *see also* Ans. 3–9).

In response, Appellant argues that the Examiner’s rejection is in error because “the claims are not directed to an abstract idea and because the claims include significantly more than an abstract idea” (Br. 11–13). Appellant would seemingly characterize the claimed invention differently

than does the Examiner, e.g., by including additional claim language; but, that difference only relates to the level of abstraction. An abstract idea can be expressed at various levels of abstraction. *See Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240–41 (Fed. Cir. 2016) (“An abstract idea can generally be described at different levels of abstraction. As the Board has done, the claimed abstract idea could be described as generating menus on a computer, or generating a second menu from a first menu and sending the second menu to another location. It could be described in other ways, including, as indicated in the specification, taking orders from restaurant customers on a computer.”). That the Examiner articulates the abstract idea at a higher level of abstraction than does Appellant is an insufficient basis for finding that the claims are not directed to an abstract idea. Furthermore, the Supreme Court in *Alice* did not rigidly define or otherwise restrict the universe of abstract ideas to one or more of: a building block of human ingenuity, a fundamental economic practice, and an algorithm. *See Alice Corp.*, 134 S. Ct. at 2357 (“[W]e need not labor to delimit the precise contours of the ‘abstract ideas’ category . . .”).

And, under step one of the framework set forth in *Alice*, we agree with the Examiner that the invention is broadly directed to the abstract idea of “processing check image data from a remote deposit capture device to detect a duplicate check deposit” (Ans. 6; *see also* Non-Final Act. 3), and is similar to the steps that the Federal Circuit determined were patent ineligible in *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1353–54 (Fed. Cir. 2016) (collecting information and “analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, [are] essentially mental processes within the abstract-idea category”)

and *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1373 (Fed. Cir. 2011) (a method that can be performed by human thought alone, or by a human using pen and paper, is merely an abstract idea and is not patent-eligible under § 101). Here, the claim involves nothing more than detecting a duplicate check deposit by receiving, recognizing, matching, extracting, determining/comparing, and transmitting data without any particular inventive technology — an abstract idea. *See Elec. Power*, 830 F.3d at 1354.

In making this determination, we note that the Specification describes that the present invention is “particularly directed to methods of processing check image data from a remote deposit capture device to detect a duplicate check deposit” (Spec. ¶ 1). The Specification discloses that because

checks can be scanned at a remote location in a remote check deposit transaction, there is potential for check fraud when a depositor intentionally deposits a check more than once. There is also potential for a depositor to make a mistake and deposit a check more than once. It would be desirable to provide a method of detecting duplicate check deposits, especially when checks are deposited at a remote location.

(Spec. ¶ 3). To address these potential drawbacks, the present invention discloses using generic processor 22 along with a generic remote deposit capture device (e.g., commercial-grade scanner, non-commercial-grade scanner, mobile device) to perform an optical character recognition (OCR) read of a magnetic ink character recognition (MICR) code line (*see* Spec. ¶¶ 12–14). The Specification discloses further that once the OCR is performed, “[a] determination is made as to whether the MICR code line matches a MICR code line stored in a check item database,” data are

extracted from at least one focus area of the check, and a message is transmitted (Spec. ¶ 3).

We disagree with the Appellant’s contention that independent claim 1 is not directed to an abstract idea because it is “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of electronic check processing” (Br. 13 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014))).

In *DDR Holdings*, the Federal Circuit determined that the claims addressed the problem of retaining website visitors who, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be transported instantly away from a host’s website after clicking on an advertisement and activating a hyperlink. *DDR Holdings*, 773 F.3d at 1257. The Federal Circuit, thus, held that the claims were directed to statutory subject matter because they claim a solution “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *Id.* The court cautioned that “not all claims purporting to address Internet-centric challenges are eligible for patent.” *Id.* at 1258. And the court contrasted the claims to those at issue in *Ultramercial*, in that, in *DDR Holdings*, the computer network was not operating in its “normal, expected manner” and the claims did not “recite an invention that is . . . merely the routine or conventional use of the Internet.” *Id.* at 1258–59.

In contrast, here, Appellant specifies the problem independent claim 1 addresses is “the business challenge of ensuring a check is not deposited into a bank account more than once that is particular to electronic check processing” (Br. 13). The Specification, discloses that the present

duplicate check deposit detecting feature based on selective image comparison may be implemented by an algorithm which is expressed in a computer program containing executable instructions which, when executed, carry out steps of the algorithm to provide the feature. The selective image comparison solution allows duplicate check deposits which are being made at remote locations, such as at digital flatbed scanners, mobile devices with built-in digital cameras, and ATMs, to be detected before the fact and not after the fact. The result is duplicate checks being prevented from being deposited. Accordingly, duplicate check deposits as well as subsequent processing to make adjustments and corrections to a depositor's account are avoided. The result is cost savings during operation of the networked system 10 of check image data processing facility 20 and remote deposit capture devices 1, 2, 3, 4, 5, 6 shown in FIG. 1.

(Spec. ¶ 37). Here, the purported solution requires a generic computer system with a processor and OCR device operating in their normal capacities to perform the functions of receiving, recognizing, matching, extracting, determining/comparing, and transmitting data. *See* Spec. ¶¶ 3, 37.

Appellant does not direct attention to, and we do not see, where the Specification provides that the computer system processing device acts in an abnormal manner or outside of its ordinary capacity. Rather, the claim recites an invention that merely implements the abstract idea through the routine or conventional use of generic computer components. *See Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1334–35 (Fed. Cir. 2015) (use of general purpose computer to implement abstract idea of using organizational and group hierarchies to determine a price was not rooted in computer technology to solve a problem specifically arising in computer technology); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1097 (Fed. Cir. 2016); *DDR Holdings*, 773 F.3d at 1258–59.

Turning to the second step of the *Mayo/Alice* framework, rather than reciting additional elements that amount to “significantly more” than the abstract idea, exemplary independent claim 1, at best, adds only “a processor,” i.e., generic “processor 22” (*see, e.g.*, Spec. ¶ 14), “database,” and “remote deposit capture device” (*see, e.g.*, Spec. ¶¶ 12–13), which lack an inventive concept. Although the steps of independent claim 1 may “utilize not only a processor, but also a database, a remote check deposit capture device (i.e., a digital imaging device) and a network” (*see* Br. 13), that is not sufficient by itself to transform the abstract idea into patent-eligible subject matter. *See, e.g., DDR Holdings*, 773 F.3d at 1256 (“[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible. The bare fact that a computer exists in the physical rather than purely conceptual realm ‘is beside the point.’” (Citation omitted)).

And, similar to *Electric Power*, we are not apprised of anything other than off-the-shelf, conventional computer and OCR technology for receiving, recognizing, matching, extracting, determining/comparing, and transmitting data to remove the claim from the class of subject matter ineligible for patenting. As the court explained in *Electric Power*, “merely selecting information, by content or source, for collection, analysis, and display does nothing significant to differentiate a process from ordinary mental processes, whose implicit exclusion from § 101 undergirds the information-based category of abstract ideas.” *Elec. Power Grp.*, 830 F.3d at 1355. Receiving, recognizing, matching, extracting, determining/comparing, and transmitting data are all routine, well-understood, and routine functions of a generic computer and merely require

generic computer implementation. *See Content Extraction and Transmission LLC v. Wells Fargo Bank, Nat. Ass'n*, 776 F.3d 1343, 1347–49 (Fed. Cir. 2014) (“The concept of data collection, recognition, and storage is undisputedly well-known.”)

We further find unpersuasive Appellant’s argument that independent claim 1 is similar to the claims in *Research Corporation Technologies Inc. v. Microsoft Corp.*, 627 F.3d 859 (Fed. Cir. 2010) because it “add[s] meaningful limitations, which when considering the claims as a whole, does not simply describe comparing checks or electronic check processing” (Br. 13–14). In *Research Corporation Technologies*, the invention “present[ed] functional and palpable applications in the field of computer technology” with “specific applications or improvements to technologies in the marketplace.” Here, other than reproducing portions of independent claim 1, Appellant does not point out where any analogous improvement to computer technology exists in Appellant’s claim or Specification (*cf.* Spec. 37).

Appellant last argues that even if the claims are directed to an abstract idea, the claims are nonetheless patent-eligible because “[t]he present claims do not preempt all methods, systems, and modes of any form of electronic check processing and certainly do not preempt all modes for detection of duplicative check detection in electronic check processing” (Br. 12). However, Appellant’s preemption argument does not alter our § 101 analysis. Preemption concerns are fully addressed and made moot where a patent’s claims are deemed to disclose patent-ineligible subject matter under the two-part framework described in *Mayo* and *Alice*. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). “While

preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

In view of the foregoing, we are not apprised of Examiner error and, thus, we sustain the Examiner’s rejection under 35 U.S.C. § 101 of independent claim 1, and claims 4–6, 9–13, and 16–24, which fall with independent claim 1.

DECISION

The Examiner’s rejection of claims 1, 4–6, 9–13, and 16–24 under 35 U.S.C. § 101 is affirmed.

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