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EXAMINER

MERCHANT, SHAHID R

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte LYNN KEMPER, AKSHEY SHAWN VIJ, and
ROBIN O'CONNELL

Appeal 2017-004339
Application 12/129,217
Technology Center 3600

Before MURRIEL E. CRAWFORD, JOSEPH A. FISCHETTI, and
MICHAEL W. KIM, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134 of the Examiner's final decision rejecting claims 34–43, 45, and 47–57. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

BACKGROUND

Appellants' invention is directed to a system for personal authorization control for card transactions. Spec. 1

Claim 34 is illustrative:

34. A method comprising:

receiving at an interface, a cardholder selection of a combination of notification parameters from a cardholder, the notification parameters specifying constraints that will cause notifications to be sent to the cardholder when transaction details of the transactions conducted by a card presenter match the constraints, wherein the constraints specified by the notification parameters are unrelated to authorization of the transactions;

storing the cardholder selected notification parameters in a parameter table database;

determining, with a subprocessor, that transaction details of a transaction conducted by the card presenter matches the constraints, the constraints being unrelated to authorization of the transaction; and

sending a notification by the subprocessor to a device associated with the cardholder when the transaction details of the transaction conducted by the card presenter match the constraints specified by the notification parameters, the notification including the transaction details of the transaction,

wherein the constraints are in a plurality of constraints, and wherein the plurality of constraints are displayed to the cardholder such that the cardholder is capable of selecting arbitrary combinations of the constraints.

The Examiner relies on the following prior art reference as evidence of unpatentability:

Kumar	US 2001/0032182 A1	Oct. 18, 2001
Dent	US 2002/0026396 A1	Feb. 28, 2002
Wronski	US 2003/0101137 A1	May 29, 2003
Ahuja	US 2007/0174448 A1	July 26, 2007
Stevanovski	US 7,653,597 B1	Jan. 26, 2010
Sancho	US 7,885,899 B1	Feb. 8, 2011

Appellant(s) appeal the following rejection(s):

Claims 34–43, 45, and 47–57 under 35 U.S.C. § 101 as the claimed invention is directed to non-statutory subject matter.

Claims 34–37, 39–41, 45, 47–49, 52, and 55–57 are rejected under 35 U.S.C. § 103(a) as unpatentable over Stevanoski in view of Ahuja.

Claim 38 is rejected under 35 U.S.C. § 103(a) as unpatentable over Stevanovski in view of Ahuja and Dent.

Claim 42 is rejected under 35 U.S.C. § 103(a) as unpatentable over Stevanovski in view of Ahuja and Sancho.

Claim 43 is rejected under 35 U.S.C. § 103(a) as unpatentable over Stevanovski in view of Ahuja and Wronski.

Claims 50 and 51 are rejected under 35 U.S.C. § 103(a) as unpatentable over Stevanovski in view of Ahuja and Kumar.

PRINCIPLES OF LAW

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 implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g.*, *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

In determining whether a claim falls within the excluded category of abstract ideas, we are guided in our analysis by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). In accordance with that framework, we first determine whether the

claim is “directed to” a patent-ineligible abstract idea. *See Alice*, 134 S. Ct. at 2356 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981) (“Analyzing respondents’ claims according to the above statements from our cases, we think that a physical and chemical process for molding precision synthetic rubber products falls within the § 101 categories of possibly patentable subject matter.”); *Parker v. Flook*, 437 U.S. 584, 594–595 (1978) (“Respondent’s application simply provides a new and presumably better method for calculating alarm limit values.”); *Gottschalk v. Benson*, 409 U.S. 63, 64 (1972) (“They claimed a method for converting binary-coded decimal (BCD) numerals into pure binary numerals.”).

The patent-ineligible end of the spectrum includes fundamental economic practices, *Alice*, 134 S. Ct. at 2357; *Bilski*, 561 U.S. at 611; mathematical formulas, *Parker*, 437 U.S. at 594–95; and basic tools of scientific and technological work, *Gottschalk*, 409 U.S. at 69. On the patent-eligible side of the spectrum are physical and chemical processes, such as curing rubber, *Diamond*, 450 U.S. at 184 n.7, “tanning, dyeing, making waterproof cloth, vulcanizing India rubber, smelting ores,” and a process for manufacturing flour, *Gottschalk*, 409 U.S. at 69 (citation omitted).

If the claim is “directed to” a patent-ineligible abstract idea, we then consider the elements of the claim—both individually and as an ordered combination—to assess whether the additional elements transform the nature of the claim into a patent-eligible application of the abstract idea. *Alice*, 134

S. Ct. at 2355. This is a search for an “inventive concept”—an element or combination of elements sufficient to ensure that the claim amounts to “significantly more” than the abstract idea itself. *Id.*

In addition, the Federal Circuit has held that if a method can be performed by human thought alone, or by a human using pen and paper, it 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) (“[A] method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101.”).

Claims involving data collection, analysis, and display are directed to an abstract idea. *Elec. Power Grp. v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (holding that “collecting information, analyzing it, and displaying certain results of the collection and analysis” are “a familiar class of claims ‘directed to’ a patent ineligible concept”); *see also In re TLI Comma ‘ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093-94 (Fed. Cir. 2016).

Claims that recite an improvement to a particular computer technology have been found patent eligible. *See, e.g., McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314–15 (Fed. Cir. 2016) (determining claims not abstract because they “focused on a specific asserted improvement in computer animation”).

ANALYSIS

Rejection under 35 U.S.C. § 101

The Examiner determines that the claims are directed to providing rules governing the use of a financial transaction card which is a

fundamental economic practice. Non-Final Act. 11. The Examiner also determines that the claims are related to an idea of itself such as comparing new and stored information and using rules to identify options. Non-Final Act. 12.

We agree with the Examiner that the claims are directed to a fundamental economic practice and are directed to the collection, analysis and display of data, and thus are directed to an abstract idea on either basis.

The Examiner finds that the claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception because processing notification parameters including displaying constraint options does not include an improvement to another technology or technical field, an improvement to the functioning of the computer itself or provide meaningful limitations beyond generally linking the use of the abstract idea to a particular technological environment. *See id.* at 13. The Examiner further finds that the instant claims are done by a generically recited computer/processor and a trading system. We agree.

We are not persuaded of error on the part of the Examiner by Appellants' argument that the Examiner failed to establish a prima facie case of ineligibility because the Examiner concludes that the claims are directed to a judicial exception without any logic, reasoning or discussion of the facts. *See* Non-Final Act. 11. Regarding step 1 of *Alice*, we conclude that the Examiner's statement, which Appellant acknowledges, is sufficient to place Appellant on notice as to step 1 of *Alice* as required under 35 U.S.C. § 132. The Examiner makes a clear determination that the claims are directed to the fundamental economic practice of providing rules governing the user of a financial transaction card and to the collection, analysis and display of

data. Appellant demonstrates an understanding of the determination of the Examiner by the arguments presented. For example, on page 8 of the Brief, Appellants state that the Examiner seems to suggest that the present claims are all about storing and comparing data. On the issue of prima facie notice, particularly related to anticipation but also generally, our reviewing court was clear in *In re Jung*, 637 F.3d 1356 (Fed. Cir. 2011):

There has never been a requirement for an examiner to make an on-the-record claim construction of every term in every rejected claim and to explain every possible difference between the prior art and the claimed invention in order to make out a prima facie rejection.

637 F.3d at 1363. The Federal Circuit further stated:

“[Section 132] does not mandate that in order to establish prima facie anticipation, the PTO must explicitly preempt every possible response to a section 102 rejection. Section 132 merely ensures that an applicant at least be informed of the broad statutory basis for the rejection of his claims, so that he may determine what the issues are on which he can or should produce evidence.” *Chester*, 906 F.2d at 1578 (internal citation omitted). As discussed above, all that is required of the office to meet its prima facie burden of production is to set forth the statutory basis of the rejection and the reference or references relied upon in a sufficiently articulate and informative manner as to meet the notice requirement of § 132. As the statute itself instructs, the examiner must “notify the applicant,” “stating the reasons for such rejection,” “together with such information and references as may be useful in judging the propriety of continuing prosecution of his application.” 35 U.S.C. § 132.

Id.

We conclude the Examiner's discussion was more than sufficient to meet this burden as to *Alice* step 1.

We are not persuaded of error on the part of the Examiner by Appellants' argument that the claims are not similar to the abstract idea in *Cyberfone Systems, LLC v. CNN Interactive Group, Inc.*, 558 Fed. Appx. 988, 992 (Fed. Cir. 2014) or *Smartgene Inc. v. Advanced Biological Laboratories, SA*, 555 Fed. Appx. 950 (Fed. Cir. 2014). We agree with the Examiner that the claims are similar to the claims in *Cyberfone and Smartgene* in that the claims are directed to the collection, analysis and display of data. In this regard, claim 34 recites that data regarding a cardholder selected constraints is collected and stored, and that stored data is analyzed to determine if transaction details match the selected constraints and data is transmitted to the cardholder when the selection matches the constraints.

Appellants argue that the claims recite an improvement to the functioning of a computer similar to the claims in *Enfish LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016). In support of this argument, the Appellants direct our attention to the steps of claim 34 with emphasis on the language "plurality of constraints are displayed to the cardholder such that the cardholder is capable of selecting arbitrary combinations of the constraints." However, the Appellants do not explain how the functioning of the computer itself is improved. We note that there is a fundamental difference between computer functionality improvements, on the one hand, and uses of existing computers as tools to perform a particular task, on the other. Indeed, the Federal Circuit applied this distinction in *Enfish* in rejecting a § 101 challenge because the claims at issue focused on a specific type of data structure, i.e., a self-referential table for a computer database, designed to improve the way a computer carries out its basic functions of

storing and retrieving data, and not merely on asserted advances in uses to which existing computer capabilities could be put. *Enfish*, 822 F.3d at 1335–36.

We are not persuaded that the problems addressed by the present invention are rooted in computer technology similar to the claims in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014) as argued by Appellants. Appeal Brief 9. In *DDR*, the Court noted that a claim may amount to more than any abstract idea recited in the claims when it addresses a business challenge, such as “retaining website visitors,” where that challenge is particular to a specific technological environment, such as the Internet. Appellants contend that the claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of online computing. Appeal Brief 10. In this regard, Appellants argue that using the instant invention, seemingly arbitrary constraints can be used to determine the type of transaction alerts that might be set to a user’s communication device.

In *DDR*, the court stated that “the [] patent’s claims address the problem of retaining website visitors that, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be instantly transported away from a host’s website after ‘clicking’ on an advertisement and activating a hyperlink.” *DDR Holdings*, 773 F.3d at 1257. This was done in the *DDR* claims by serving a composite page with content based on the link that was activated to serve the page.

In contrast, claim 34 performs a process that allows a cardholder to select which constraints will necessitate a notification to the cardholder, storing the notification constraints, and sending a notification when

transaction details match the selected constraints. We are unpersuaded that using a processor to collect data (chosen constraints), match the stored data with transaction data, and transmit data in the form of a notification does not provide a technical solution to a technical problem. Rather, the problem addressed by the present invention is to prevent authorization of transactions in the case of a stolen card. Spec. ¶4. We are unpersuaded that the prevention of the use of a stolen card may be assisted by the use of a computer is not pertinent to determining whether the claim itself provides a technical solution to a technical problem. And, unlike the situation in *DDR Holdings*, we find no indication in the record, nor do Appellants point us to any indication, that the cardholder interface, subprocessor, or database elements are used other than in their normal, expected, and routine manner, e.g., for receiving, analyzing and displaying data.

We also are not persuaded by Appellants' argument that the present claims should have been analyzed using the streamlined analysis. Appeal Br. 11. The Appellants direct our attention to the Office's "2014 Interim Guidance on Patent Subject Matter Eligibility," 79 Fed. Reg. 74618 (Dec. 16, 2014). However, this guidance states that the streamlined analysis is an optional tool that an examiner may use at his or her discretion. The Guidance, thus, instructs that "[f]or purposes of efficiency in examination, a streamlined eligibility analysis *can be used*." *See Interim Guidance*, 79 Fed. Reg. at 74625 (emphasis added). The Guidance also instructs that "if there is doubt as to whether the applicant is effectively seeking coverage for a judicial exception itself, the full analysis *should be conducted* to determine whether the claim recites significantly more than the judicial exception." *Id.*

(emphasis added). The Examiner's decision here to perform a full § 101 analysis was, in our view, a proper exercise of the Examiner's discretion.

Appellants argue that certain features of the claim are significantly more than any abstract idea, because they are directed to an inventive concept that defines over the prior art. Appeal Brief 13. Appellants directed our attention to the receiving step, where the constraints are displayed to the cardholder, and argue that this feature is not part of an abstract idea. We do not agree. The receipt of data in the form of cardholder selection, and the display of a plurality of constraints to the cardholder for selection, is the collection and display of data which is clearly part of the abstract idea identified by the Examiner.

We are not persuaded of error on the part of the Examiner by Appellants' argument that the Examiner did not identify the limitations beyond the judicial exception, and analyze each such limitations individually or in combination to determine if they amount to significantly more than the alleged exception. Appeal Brief 13. The Examiner does indeed recognize that the recitation of a subprocessor, a database and a device associated with the cardholder are not part of the abstract idea of the collection, analysis and display of data. However, the Examiner found that these elements of claim 34 are but generically recited computer/processor elements that are no more than a generic computer which performs generic computer functions. Non-Final Act. 14.

Appellants argue that the recitations in claim 34 are not what are well-understood, routine and conventional in the field because the limitations in the claim are not in the prior art. App. Brief 13. Appellants' argument does not apprise us of error because Appellants conflate the conventionality of the

steps being performed by a processor and the conventionality of the computer functions required to implement the steps. Appellants have not demonstrated that the computer functions of collection, analysis and display of data are any more than the functions that are performed by all generic computer.

To the extent Appellants maintain that the limitations of claim 1 necessarily amount to “significantly more” than an abstract idea because the claimed apparatus is allegedly patentable over the prior art, Appellants misapprehend the controlling precedent. Although the second step in the *Alice/Mayo* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a search for “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. A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 132 S. Ct. at 1304.

In view of the foregoing, we will sustain this rejection as it is directed to claim 34. We will also sustain this rejection as it is directed to the remaining claims subject to this rejection because Appellants have not argued the separate eligibility of these claims.

Prior Art Rejections

We will not sustain this rejection because we agree with Appellants that the prior art does not disclose receiving cardholder selection of notification parameters specifying constraints that will cause notification, where the

constraints are displayed to the cardholder such that the cardholder is capable of selecting arbitrary combinations of constraints. Appeal Brief 20.

The Examiner relies on Stevanovski for teaching that a customer sets purchase parameters at column 2, lines 1–5, and for teaching notification to a customer electronically of any account activity at column 4, lines 39–64. Non-Final Act. 18. These portions of Stevanovski teach that the customer can select purchase parameters and can be notified of account activity. Stevanovski also discloses that the customer can select how the notification is sent. We agree with the Appellants, and find that these portions of Stevanovski are not a teaching of receiving cardholder selection of notification parameters specifying constraints that will cause notification, where the constraints are displayed to the cardholder such that the cardholder is capable of selecting arbitrary combinations of constraints.

Alternatively, the Examiner relies on Ahuja for teaching this subject matter. We find that Ahuja discloses that the cardholder can select the time and mode of notification. ¶ 48. However, we agree with the Appellants that this is not a teaching that a cardholder can select an arbitrary combination of constraints from a plurality of constraints that are displayed to the cardholder, and that the notification is sent when the transaction details match those arbitrarily selected constraints.

In view of the foregoing, we will not sustain the rejection of claim 34 as being unpatentable over Stevanovski and Ahuja. We will also not sustain this rejection directed to the remaining claims subject to this rejection for the same reason.

We will also not sustain the remaining prior art rejections because the Examiner relies on Stevanovski and Ahuja for teaching the subject matter

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we have found lacking in the portion of each reference relied on by the Examiner.

DECISION

We affirm the Examiner's § 101 rejection.

We do not affirm the Examiner's § 103 rejections.

TIME PERIOD

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1) (2009).

ORDER

AFFIRMED