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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* KEVIN CARROLL, KARINA ELROD,  
JULIE CANNAVA, KIRSTEN FRY-SANCHEZ, and  
SHAWNA LANDERS

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Appeal 2017-004448  
Application 12/163,674<sup>1</sup>  
Technology Center 3600

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Before HUNG H. BUI, DAVID J. CUTITTA II, and  
PHILLIP A. BENNETT, *Administrative Patent Judges*.

BENNETT, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 1, 3–5, 7, 12–15, 19, 20, and 33–41, which constitute all of the pending claims. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

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<sup>1</sup> Appellants’ Brief (“App. Br.”) identifies The Western Union Company as the real party in interest. App. Br. 2.

CLAIMED SUBJECT MATTER

The claims are directed to monetary gift registries and methods for operating them. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A method of operating a monetary gift registry, comprising:
  - registering at a host computer system one or more recipients with the monetary gift registry;
  - creating in a database stored on the host computer system an account for at least one of the registered recipients;
  - assigning in the database a unique identifier to at least one account or registered recipient;
  - receiving value from one or more senders via one or more sender devices over a consumer-oriented money transfer network, each receipt of value accompanied by the unique identifier of one of the accounts or recipients;
  - accumulating the value based, at least in part, on the unique identifiers;
  - recording, in the database, an amount of the accumulated received value corresponding to each of the unique identifiers;
  - sending a transaction identifier to a recipient via one or more recipient devices over the consumer-oriented money transfer network;
  - receiving, by the host computer system over the consumer-oriented money transfer network, an amount of a withdrawal request from recipient; and
  - requiring presentation of the transaction identifier by the recipient at a physical agent location of the consumer-oriented money transfer network to authenticate the recipient prior to distribution of the funds;
  - distributing funds from one of the accounts to the recipient via a money transfer network.

App. Br. 11–12 (Claims Appendix).

## REJECTION

Claims 1, 3–5, 7, 12–15, 19, 20, 23 and 41 are rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter.

## OPINION

### *Legal Standard for Patent Eligibility*

In issues involving subject matter eligibility under 35 U.S.C. § 101, our inquiry focuses on whether the claims satisfy the two-step test set forth by the Supreme Court in *Alice Corp. v. CLS Bank Int’l.*, 134 S.Ct. 2347 (2014). The Supreme Court instructs us to “first determine whether the claims at issue are directed to a patent-ineligible concept,” *Alice*, 134 S. Ct. at 2355, and, in this case, the inquiry centers on whether the claims are directed to an abstract idea. If the initial threshold is met, we then move to the second step, in which we “consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 79, 78 (2012)). The Supreme Court describes the second step as a 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).

### *The Examiner’s Eligibility Analysis Under § 101*

In rejecting the claims under 35 U.S.C. § 101, the Examiner applies the *Alice* framework and determines at the first step that the claims are

directed to an abstract idea. More specifically, the Examiner determines the “claims are directed to the abstract idea of a fundamental commercial or business practices of *operating a monetary gift registry*,” and that operating a monetary gift registry is “a method of organizing human activities with a machine in a process.” Final Act. 3. The Examiner also determines the claims lack a sufficient inventive concept to pass muster under the second step of the *Alice* framework. The Examiner finds the elements of the claims amount “to no more than mere instructions to implement the idea on a computer” and that the recited steps “each execute in a manner routinely and conventionally expected of these elements.” Final Act. 4. Considering the claim elements as a whole, the Examiner finds “[t]he claim as a whole, does not amount to significantly more than the abstract idea itself,” identifying three reasons underpinning this conclusion:

This is because [1] the claim does not affect an improvement to another technology or technical field; [2] the claim does not amount to an improvement to the functioning of a computer itself; and [3] the claim does not move beyond a general link of the use of an abstract idea to a particular technological environment.

Final Act. 4.

Responding to Appellants’ argument that the claims are eligible based on the Federal Circuit’s decision in *DDR Networks*, the Examiner explains that unlike the claims in *DDR Networks*, which were “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer technology,” Appellants’ claims merely “provided generically computer-implemented solution to a business-related or economic problem and thus are incomparable to the claims at issue in *DDR*.”

Final Act. 7.

*Appellants' Arguments*

Appellants present several arguments in favor of eligibility. With respect to the determination that the claims are directed to an abstract idea, Appellants argue the Examiner's characterization of the claims "is an oversimplification and ignores most of the recitations of independent claim 1." Reply Br. 2. Appellants rely on *DDR Holdings*, arguing the claims are necessarily rooted in computer technology because they relate to "transmitting/receiving secure data and distributing funds over various computer networks, etc.." App. Br. 7. Appellants further argue "the instant claims are similar to the subject-matter eligible claims of *DDR Holdings* as they do not merely recite the performance of some business practice known from the pre-Internet world along with some generic requirement to perform it using the Internet" and that "there is no 'pre-Internet' business practice directly analogous to the features" in the claims. App. Br. 7–8; *see also* Reply Br. 3.

Appellants also rely on the pre-*Alice* case of *SiRF Tech. v. ITC*, 601 F.3d 1319, 1333 (Fed. Cir. 2010), arguing the Federal Circuit's conclusion of eligibility in that case requires reversal here. In particular, Appellants argue the decision in *SiRF Tech.* "held that a GPS receiver imposes meaningful limitations on the scope of the claims, because the claims require the use of a [] GPS receiver and could not be performed without the use of such a receiver." App. Br. 8 (citing *SiRF Tech.*, 601 F.3d at 1332–33). Appellants contend the claims at issue here "recite particular specialized hardware devices and systems" and they identify various features in both the independent and dependent claims which Appellants assert are "particular specialized hardware" similar to that found eligible in *SiRF Tech. Id.*

Appellants also dispute the Examiner's determination under *Alice* step 2. Appellants cite *BASCOM Global Internet Services v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016), arguing the claims provide a “non-conventional and non-generic arrangement” which allows “the transmission of secure data and distribution of funds over the various recited computer networks.” Reply Br. 4. Appellants also dispute the Examiner's finding that the claims are not directed to any specific improvement in computer functionality. To that end, Appellants again identify various features in the claims that are “particular specialized hardware devices” and which Appellants maintain “cannot be performed on generic computing devices and/or in a well-known computing environment.” Reply Br. 4.

Appellants also argue procedural error, contending “the blanket rejection of independent claims 1, 33, and 40, and all dependent claims, without analysis of each claim under the *Alice* test is improper” and contrary to Patent Office policy. App. Br. 9; Reply Br. 5.

#### *Analysis*

We are not persuaded by Appellants' argument. Appellants' step 1 arguments are not persuasive because the claims are markedly different from those found eligible in *DDR Holdings*. There, the claims involved “a challenge particular to the Internet” that did not exist in the physical world. *DDR Holdings*, 773 F.3d at 1257. The Federal Circuit explained the key difference between a physical store and an online store:

[O]nce a customer enters a physical warehouse store, that customer may encounter a kiosk selling third-party cruise vacation packages. There is, however, no possibility that by walking up to this kiosk, the customer will be suddenly and

completely transported outside the warehouse store and relocated to a separate physical venue associated with the third-party—the analog of what ordinarily occurs in “cyberspace” after the simple click of a hyperlink— . . . without any need to “return” to the aisles of the store after completing the purchase. It is this challenge of retaining control over the attention of the customer in the context of the Internet that the ’399 patent’s claims address.

*DDR Holdings*, 773 F.3d at 1258. Appellants provide no comparable explanation for how their claimed “monetary gift registry” addresses challenges which are (1) unique to the Internet, and (2) not present in traditional monetary gift registries. Instead, Appellants assert, without further explanation, the claims “do not merely recite the performance of some business practice known from the pre-Internet world along with some generic requirement to perform it using the Internet.” App. Br. 7–8.

Appellants also do not explain why traditional non-computerized gift registries, including those where money is given in lieu of a gift, are not an analogous “pre-Internet” business practice. Nor do Appellants sufficiently explain how the claims are “necessarily rooted in computer technology.”

The example provided by Appellants, “transmitting/receiving secure data and distributing funds over various computer networks, etc.” indicates the claims *involve* computer technology, but does not demonstrate the claims are *rooted* in computer technology. As made clear in *DDR Holdings*, claims are *rooted* in computer technology when the invention arises out of a problem introduced by the technological nature of subject matter encompassing the invention. Here, Appellants’ invention primarily addresses a business problem simply by extending the business practice of providing and maintaining gift registries to computers and the Internet.

Appellants' reliance on *SiRF Tech.* is also misplaced. As an initial matter, this case was decided prior to *Alice*, and applied the “machine or transformation” test that was found insufficient for determining eligibility in *Alice*. Even so, the claims in *SiRF Tech.* bear little resemblance to those at issue here, as they relate to solving the technological problem of calculating an absolute position of a GPS receiver and an absolute time of reception of satellite signals. *Id.* at 1333.

We also find Appellants' step 2 arguments lacking merit. As noted above, Appellants cite *BASCOM*, arguing the claims provide a “non-conventional and non-generic arrangement” which allows “the transmission of secure data and distribution of funds over the various recited computer networks.” Reply Br. 4. However, Appellants do not explain with any specificity how the claimed arrangement makes possible transmission and distribution that cannot otherwise be achieved using conventional and well-known networking protocols and generic computing components. Appellants also do not explain how their purported “non-conventional and non-generic arrangement” improves the speed, function, or efficiency of the network, nor do they identify any improvement to the operation of any of the computer systems included in the claim.

As the Examiner points out, Appellants' Specification indicates the “system for operating a monetary gift registry” is a generic computer system connected to the Internet. Ans. 8-9 (citing Spec. ¶¶ 20–21). Further, the various components Appellants identify as being “particular specialized hardware devices and systems” are all described at a high level in the Specification, with no structural, operational, or even conceptual details provided. This high level of description demonstrates that the various

components were routine, conventions, and well-understood in the art at the time the application was filed.

Finally, we are not persuaded the Examiner has insufficiently addressed all of the claims. Appellants argue the Examiner fails to address the dependent claims as well as independent claim 40. App. Br. 9; Reply Br. 5. Appellants' position, in essence, is that the Examiner has not set forth a prima facie case of ineligibility. We disagree.

Our reviewing court guides "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). In particular:

[A]ll 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 [ 35 U.S.C.] § 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."

*In re Jung*, 637 F.3d 1356, 1363 (Fed. Cir. 2011).

This burden is met by "adequately explain[ing] the shortcomings it perceives so that the applicant is properly notified and able to respond." *Hyatt*, 492 F.3d at 1370. It is only "when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection" that the prima facie burden has not been met and the rejection violates the minimal requirements of 35 U.S.C. § 132(a). *Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990).

Here, the Examiner set forth the statutory basis of rejection with respect to the dependent claims—namely, 35 U.S.C § 101. Final Act. 2. The Examiner also provided the reasons for the rejection—that “claims 1, 3-5, 7, 12–15, 19, 20, 23 and 41 are rejected under 35 U.S.C. 101 because the claimed invention is directed to a judicial exception (abstract idea) without significantly more.” Final Act. 5. The Examiner further explained that “dependent claims 3–5, 7, 12–15, 19, 20, 34–39 and 41 do not resolve the issues raised in the independent claims” because the various hardware components recited in the dependent claims “do not add significantly more because they are simply an attempt to limit the abstract idea to a particular technological environment.” Ans. 10. Although each and every limitation in the dependent claims is not addressed with particularity, the Examiner makes clear the rationale and basis for their rejection—namely that the various additional limitations recited in the dependent claims do not amount to significantly more than the abstract idea itself because they suffer from the same shortcomings as the hardware components recited in the independent claims (which were addressed with particularity). *See* Ans. 8–9. Consequently, we do not find the Examiner’s rejection to be procedurally deficient as Appellants allege.

Because we do not find Appellants’ arguments persuasive of Examiner error, we sustain the rejection of the claims under 35 U.S.C. § 101.

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DECISION

We affirm the Examiner's rejection of claims 1, 3–5, 7, 12–15, 19, 20, and 33–41.

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)(iv).

AFFIRMED