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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MARIA G. THOMAS, MICHAEL J. TRETOLA,
KAREN J. BARSON, and ARIEN C. FERRELL

Appeal 2017-004652
Application 12/917,396¹
Technology Center 3600

Before ERIC B. CHEN, MATTHEW R. CLEMENTS, and
SCOTT E. BAIN, *Administrative Patent Judges*.

CLEMENTS, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1–4, 6–13, 15–19, 21–30, and 47–53. Claims 5, 14, 20, and 31–46 are cancelled. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

THE INVENTION

The present invention is a “[c]heck fraud protection method in which [a] customer is automatically enrolled in check fraud protection service”

¹ Appellants identify the real party in interest as “Intuit Inc.” App. Br. 2.

(Abst.) and which “[d]etermin[es] whether the check is covered [based on whether a certain] indicator is printed on the check” (Spec. ¶ 8). Claim 1 is reproduced below.

1. A computer-implemented check fraud protection method, comprising:

an intermediate computer, hosted by a provider of a fraud protection service and being in communication with a computer of a check printer through a network, receiving an order to print checks for a customer that has a first checking account at a financial institution;

the intermediate computer transmitting a request for printing of the checks for the first checking account per the order to the check printer computer through a network;

the intermediate computer automatically enrolling the order of printed checks into a fraud protection service, each check of the order being covered by the fraud protection service without requiring the customer to separately subscribe to the fraud protection service;

the intermediate computer receiving a request from the customer to be reimbursed for fraudulent activity that occurred and that involved a check printed per the order and that resulted in a financial loss to the customer;

the intermediate computer determining whether the check is covered by the check fraud protection service in response to the request based at least in part upon whether a first enrollment indicator is printed on the check that was involved in the fraudulent activity,

the first enrollment indicator being encoded with enrollment data, wherein a first pre-determined segment of the first enrollment indicator is encoded with data of the customer,

a second pre-determined segment of the first enrollment indicator, which is orthogonal relative to the first pre-determined segment, is encoded with data about the customer's first checking account, and

a third, diagonal pre-determined segment of the first enrollment indicator is encoded with data indicating whether the check is covered under the check fraud protection service,

determining whether the check is covered by the check fraud protection service comprising the intermediate computer decoding the first enrollment indicator to determine the enrollment data and whether the check is covered by the check fraud protection service; and

when the intermediate computer determines that the check is covered by the check fraud protection service, the intermediate computer transmitting a claim for reimbursement for the financial loss to the financial institution for the financial institution to reimburse the customer, the customer retaining exclusive right of recovery from the financial institution at all times during processing of the claim such that neither the provider nor a printer of the checks has any right at any time during processing of the claim to any portion of any payment made by the financial institution to the customer.

App. Br. 37–38 (Claims Appendix).

REJECTIONS

Claims 1–4, 6–13, 15–19, 21–30, and 47–53 are rejected under 35 U.S.C. § 101 as directed to patent-ineligible subject matter.

PRINCIPLES OF LAW

The Supreme Court has long held that “[l]aws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. Ltd. v.*

CLS Bank Int'l, 134 S. Ct. 2347, 2354 (2014) (quoting *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589 (2013)). The “abstract ideas” category embodies the longstanding rule that an idea, by itself, is not patentable. *Alice*, 134 S. Ct. at 2354–55 (quoting *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)).

In *Alice*, the Supreme Court set forth an analytical “framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Id.* at 2355. 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.* There is no definitive rule to determine what constitutes an “abstract idea.” Rather, the Federal Circuit has explained that “both [it] and the Supreme Court have found it sufficient to compare claims at issue to those claims already found to be directed to an abstract idea in previous cases.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1334 (Fed. Cir. 2016); *see also Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) (explaining that, in determining whether claims are patent-eligible under § 101, “the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided”). The Federal Circuit also noted that “examiners are to continue to determine if the claim recites (i.e., sets forth or describes) a concept that is similar to concepts previously found abstract by the courts.” *Amdocs*, 841 F.3d at 1294 n.2 (internal citation omitted).

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 73). Mere use of computers, even in conjunction with other hardware, does not alone transform an abstract idea to significantly more. *See, e.g., Content Extraction & Transmission LLC v. Wells Fargo Bank*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) (patent-ineligible claims requiring a computer and scanner); *CLS Bank Int’l v. Alice Corp. Pty.*, 717 F.3d 1269, 1286 (Fed. Cir. 2013) (“[S]imply appending generic computer functionality to lend speed or efficiency . . . does not meaningfully limit claim scope for purposes of patent eligibility.”), *aff’d* by *Alice*.

ANALYSIS

Claim 1 is representative. *See* 37 C.F.R. 41.37(c)(1)(iv) (representative claims). We are not persuaded the Examiner erred in rejecting claim 1.

A. Alice’s First Step

Appellants argue the Examiner fails to explain how the claim elements map to patent-ineligible concepts and particularly to

judicially-recognized abstract ideas. App. Br. 16–23; Reply Br. 1–2, 10–26. We are not persuaded of error.

The Examiner finds claim 1 is directed to the abstract idea of “providing a customer of a financial institution with protection coverage in the event of financial loss experienced by the customer resulting from usage of a financial product [in an automated manner.]” Final Act. 3–4; Ans. 4.² The Examiner finds this idea similar to other concepts that have been identified by the courts as abstract, such as fundamental economic principles, certain methods of organizing human activity, and an idea of itself. Final Act. 4; Ans. 4 (citing, *inter alia*, *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350 (Fed. Cir. 2014), *Bancorp Servs., L.L.C. v. Sun life Assurance Co. of Can. (U.S.)*, 687 F.3d 1266 (Fed. Cir. 2012)). In the Answer, the Examiner further maps individual claim elements to judicially-recognized abstract ideas (Ans. 4–15) including: “handling insurance-related information” in *Accenture Global Services, GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1344 (Fed. Cir. 2013) (*id.* at 4); “collecting and comparing known information” in *Classen Immunotherapies, Inc. v. Biogen IDEC*, 659 F.3d 1057, 1067 (Fed. Cir. 2011) (*id.*); and “data collection, recognition, and storage” in *Content Extraction*, 776 F.3d at 1347 (Fed. Cir. 2014) (*id.*). The Examiner finds only the recited computer devices are “additional elements,” i.e., not abstract ideas. Ans. 17–18.

² The Answer does not include page numbers. We reference the pages as starting with the cover sheet, stating “Examiner’s Answer (not the prior Form PTOL-90A), as the first page, i.e., page one.

We agree that all claim elements are directed to collecting, recognizing, and comparing data to provide an insurance service. Claim 1 is generally directed to an insurance provider that receives an order for checks from a customer, transmits a request for the checks to the check printer, automatically enrolls the checks into the fraud protection service, receives the customer's request for reimbursement for fraudulent use of one of the checks, determines the check is insured/covered by decoding a printed enrollment indicator on the check, and transmits a claim for reimbursement to the bank of the check on behalf of the customer. Having considered these steps individually and the claim as a whole, we agree with the Examiner's finding that it is directed to the abstract idea of "providing a customer . . . with protection coverage in the event of financial loss . . . resulting from [the covered] product" and collecting, recognizing, and comparing data for that purpose. Ans. 4.

We also agree the claim elements sufficiently correspond to the patent-ineligible concepts of *Accenture*, *Classen*, and *Content Extraction*. The claim elements are, for example, analogous to *Accenture*'s "tasks to be performed in an insurance organization, . . . an insurance transaction, . . . claimants and an insured person[,] . . . determining tasks to be completed upon an occurrence of an event[, and] an assigned claim handler to . . . achieve an insurance related goal[.]" *Accenture*, 728 F.3d at 1338 (claim 1). They are also analogous to *Accenture*'s processing of "information related to the insurance transaction," such as "providing [the] information" and "trigger[ing] . . . events associated with . . . the information[.]" *Id.*

Appellants further argue “the Answer is confusing at best and fails to provide sufficient notice to Appellant to respond.” Reply Br. 18–19. The argument mischaracterizes the notice requirement of 35 U.S.C. § 132. *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011) (explaining the notice requirement). The notice requirement is unmet if the rejection is “so uninformative” it cannot be addressed. *Id.* Nothing more than the Examiner’s above-explained findings, however, are needed to understand and counter the rejection. Appellants could have but did not, for example, substantively dispute that “a similar or parallel descriptive nature can be seen” between claim 1 and the above abstract ideas. *Amdocs*, 841 F.3d at 1294.

Appellants further argue that the claims cannot be directed to an abstract idea because they “involve printed checks (physical objects) and an enrollment indicator (a physical object) printed thereon.” App. Br. 19–21; Reply Br. 12–15. Even claims that involve the processing of physical objects like checks, however, may be directed to an abstract idea. *See Datatransury Corp. v. Fidelity National Information Servs.*, 669 F. App’x 572 (Oct. 13, 2016) (affirming, under Rule 36, Final Written Decisions in CBM2014-00020 and CBM2014-00021, which held claims directed to capturing images of paper checks and processing them to be unpatentable under 35 U.S.C. § 101).

B. Alice’s Second Step

Appellants argue the Examiner fails to explain why the claimed computer devices and functions do not, in combination with the other claim

elements, amount to significantly more than the applied abstract ideas. App. Br. 23–30; Reply Br. 32–34. We are not persuaded.

The Examiner finds the claimed computer devices are “additional elements” (i.e., not abstract ideas) that perform only “basic functions of storing (encoding) data and/or information [and] processing (transmitting a request, determining enrollment, decoding data).” Ans. 17. The Examiner also states, correctly, that “[m]ere recitation of generic computer functions is not enough to save a claim that is directed to an abstract idea.” *Id.*; accord *CLS Bank Int’l*, 717 F.3d at 1286 (“simply appending generic computer functionality to lend speed or efficiency” does not impart patent eligibility).

We agree the claimed computer devices and functions are “basic” and do not add significantly more to the claimed abstract ideas of collecting, recognizing, and comparing data to handle insurance tasks and information. There is no indication that, beyond the above abstract ideas, the claimed computer devices provide more than “well-understood, routine, conventional activit[ies].” *Alice*, 134 S. Ct. at 2359 (quoting *Mayo*, 566 U.S. at 73). For example, there is no indication that the structure of the claimed enrollment indicator³ provides a “technical detail . . . to solve a specific problem.” *Secured Mail Solutions LLC v. Universal Wilde, Inc*, 873 F.3d 905, 912 (Fed. Cir. 2017).

³ The Examiner found claim 1 allowable, over the prior art, in response to Appellants’ requested Examiner’s Amendment adding the segment structures to the enrollment indicator (adding the “pre-determined segments”). See App. Br. 32–33; Notice of Allowability, June 10, 2014, p. 14 (presenting amendment); Interview Summary, June 14, 2014 (requesting amendment).

Appellants also argue the structure of the claimed enrollment indicator in claim 1 constitutes a technological improvement. App. Br. 30–31; Reply Br. 27–29. Appellants present no evidence, however, of a technological improvement. *Id.* The Federal Circuit instructs in *Secured Mail* that, absent evidence of a technological improvement, such an indicator is directed to the abstract idea of communicating about an object (via a printed mark). 873 F.3d at 909. *Secured Mail* explains:

Secured Mail’s patents are not directed to an improvement in computer functionality. For example, the claims are not directed to a new barcode format, an improved method of generating or scanning barcodes, or similar improvements in computer functionality.

The fact that an identifier can be used to make a process more efficient . . . does not necessarily render an abstract idea less abstract.

Id. at 910. Even when evaluating a mark with a two-dimensional structure (*id.* at 907 (QR code)), *Secured Mail* found the “method is not limited to any particular technology of generating, printing, or scanning a barcode [but rather] directed to the abstract process of communicating information . . . using a personalized marking” (*id.* at 911). In view of *Secured Mail*, we find the claimed enrollment indicator is not a “technological improvement” because it does not improve conventional barcodes.

Finally, Appellants argue that “the claims clearly do not preempt all ‘check fraud protection’ methods or all encoding and decoding methods, which is yet another factor supporting the conclusion that the claims recite patent eligible subject matter.” App. Br. 34. Even if claim 1 does not cover all check fraud protection methods, however, “the absence of complete

preemption does not demonstrate patent eligibility.” *FairWarning IP LLC v. Iatric Systems, Inc.*, 839 F.3d 1089, 1098 (Fed. Cir. 2016) (quoting *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015); see also *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (“[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.”). Where, as here, “a patent’s claims are deemed only to disclose patent ineligible subject matter under the [*Alice*] framework . . . preemption concerns are fully addressed and made moot.” *Ariosa*, 788 F.3d 1379.

C. Conclusion

We are unpersuaded of error in the rejection of claims 1–4, 6–13, 15–19, 21–30, and 47–53 under 35 U.S.C. § 101.

DECISION

We affirm the Examiner’s decision rejecting claims 1–4, 6–13, 15–19, 21–30, and 47–53.

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