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Mastercard International Incorporated
c/o Buckley, Maschoff & Talwalkar LLC
50 Locust Avenue
New Canaan, CT 06840

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DAVID CHAN, SAMUEL LIM, and RAMA SRIDHAR¹

Appeal 2017-004802
Application 14/601,914
Technology Center 3600

Before JEAN R. HOMERE, CAROLYN D. THOMAS, and
MICHAEL M. BARRY, *Administrative Patent Judges*.

THOMAS, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants seek our review under 35 U.S.C. § 134(a) of the Examiner's Final Rejection of claims 1–8, all the pending claims in the present application. *See* Claims Appendix. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

We AFFIRM.

The present invention relates generally to funds remittances to non-payment card accounts. *See* Abstract.

¹ Appellants name MASTERCARD INTERNATIONAL INCORPORATED as the real party in interest (App. Br. 2).

Claim 1 is illustrative:

1. An international remittance system comprising:
 - a remittance request server comprising a storage device;
 - an agent bank computer comprising a settlement account and operably connected to the remittance request server;
 - a payment system gateway operably connected to the remittance request server;
 - an international payment card system operably connected to the payment system gateway and to the agent bank computer; and
 - a plurality of recipient bank computers operably connected to the agent bank computer;wherein the storage device of the remittance request server stores instructions configured to cause the remittance request server to:
 - receive an international funds transfer request specifying a transaction amount, a source payment card account located in a first country, and a destination bank account associated with a recipient bank located in a second country different from the first country, and wherein the destination bank account is not a payment card account;
 - transmit an international payment transaction routed from the source payment card account to the payment system gateway which is routed to the settlement account of the agent bank computer via the international payment card system, the settlement account different from the destination bank account;
 - store a funds transfer instruction as part of an electronic funds transfer file in the storage device of the remittance request server, the funds transfer instruction configured to cause the agent bank computer to transfer funds in the transaction amount from the settlement account to the destination bank account; and
 - transmit the electronic funds transfer file on a periodic basis directly to the agent bank computer wherein the funds transfer instruction causes the agent

bank computer to transfer the transaction amount from the settlement account to the destination bank account.

Appellants appeal the following rejections:

R1. Claims 1–8 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter (Final Act. 13–19); and

R2. Claims 1–8 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Chauhan (US 2006/0287953 A1, Dec. 21, 2006), Modi (US 2006/0006224 A1, Jan. 12, 2006), and Baumgartner (US 7,882,021 B2, Feb. 1, 2011) (Final Act. 7–13).

We review the appealed rejections for error based upon the issues identified by Appellants, and in light of the arguments and evidence produced thereon. *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential).

ANALYSIS

Rejection under § 101

Issue 1: Did the Examiner err in rejecting the claims as being directed to non-statutory subject matter?

In this regard, with respect to independent system claims 1 and 7, the Examiner determines that the claims are directed to an abstract idea for “facilitating international fund remittances and/or fund transfers which is a fundamental economic practice . . . as well as an idea of itself” (Final Act. 15–19). The Examiner adds that “the [claims] elements do not amount to more than mere instructions to implement the abstract idea in a computing environment while performing no more than their basic computer functions

at a high level of generality . . . requiring no more than a generic computer” (*id.* at 16). We agree with the Examiner for at least the reasons *infra*.

A patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” 35 U.S.C. § 101. The Supreme Court has held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable. *Alice Corp. Pty. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014); *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) (“Phenomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.”). Notwithstanding that a law of nature or an abstract idea, by itself, is not patentable, the application of these concepts may be deserving of patent protection. *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293–94 (2012). In *Mayo*, the Court stated that “to transform an unpatentable law of nature into a patent eligible *application* of such a law, one must do more than simply state the law of nature while adding the words ‘apply it.’” *Id.* at 1294 (citation omitted).

In *Alice*, the Court reaffirmed the framework set forth previously in *Mayo* “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts.” *Alice*, 134 S. Ct. 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.” *Id.* If the claims are directed to a patent-ineligible concept, then the second step in the analysis is to consider the elements of the claims “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*, 132 S. Ct. at 1298, 1297).

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.* (brackets in original) (quoting *Mayo*, 132 S. Ct. at 1294). The prohibition against patenting an abstract idea “cannot be circumvented by attempting to limit the use of the formula to a particular technological environment or adding insignificant post-solution activity.” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (citation and internal quotation marks omitted). The Court in *Alice* noted that “[s]imply appending conventional steps, specified at a high level of generality,’ was not ‘enough’ [in *Mayo*] to supply an ‘inventive concept.’” *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 132 S. Ct. at 1300, 1297, 1294).

Step one: Are the claims at issue directed to a patent-ineligible concept?

Appellants contend that the Examiner fails to point “to any specific authority that compels the conclusion that the claimed invention . . . is ‘abstract’ within the meaning of Section 101” (App. Br. 11).

We disagree with Appellants’ contentions. Instead, we find that the Examiner has provided a sufficient response, supported by a preponderance of the evidence (Final Act. 5–7; Ans. 2–6). As such, we refer to, rely on, and adopt the Examiner’s determinations and conclusions set forth in the Final Action and Answer. *Id.* Our discussions here will be limited to the following points of emphasis.

As an initial matter, we note that Appellants have not identified any cases that stand for the proposition that Examiners *must* provide evidentiary support in every case before a conclusion can be made that a claim is directed to an abstract idea. No such requirement has been brought before us. *See, e.g.*, para. IV “July 2015 Update: Subject Matter Eligibility” to 2014 Interim Guidance on Subject Matter Eligibility (2014 IEG), 79 Fed. Reg. 74,618 (Dec. 16, 2014) (“The courts consider the determination of whether a claim is eligible (which involves identifying whether an exception such as an abstract idea is being claimed) to be a *question of law*. Accordingly, courts do not rely on evidence that a claimed concept is a judicial exception, and in most cases resolve the ultimate legal conclusion on eligibility without making any factual findings” (emphasis added)). Evidence may be helpful in certain situations where, for instance, facts are in dispute. But it is not always necessary. Therefore, we agree with the Examiner that “there is no requirement on the Office to provide any prior art reference and/or evidence for identification of an abstract idea” (Ans. 4) (emphasis in original).

In any case, contrary to Appellants’ aforementioned contention, the Examiner did indeed cite to authority, e.g., *Alice* and *Content Extraction*, for exemplary abstract concepts and listed specific abstract concepts, i.e., “fundamental economic practices; certain methods of organizing human activities; an idea itself; and mathematical relationships/formulas” (*see* Final Act. 4, 14; *see also* Ans. 4–5). *In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 613 (Fed. Cir. 2016) (finding the claimed method of classifying and storing images in an organized manner was a well-established basic concept analogous to methods of organizing human activity); *see Intellectual*

Ventures I LLC v. Capital One Bank (USA), 792 F.3d 1363, 1367 (Fed. Cir. 2015) (finding the claim at issue was directed to the abstract idea of budgeting, which was “not meaningfully different from the ideas found to be abstract in other cases before the Supreme Court and our court involving methods of organizing human activity”); *see also, e.g., Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) (finding claims directed to collecting data, recognizing certain data within the collected data set, and storing the recognized data drawn to an abstract idea and noting that “humans have always performed these functions”).

We find that the Examiner’s cogent analysis relying on judicial examples (*id.*), shows the Examiner provided adequate basis for making the abstract concept determination.

Step two: Is there something else in the claims that ensures that they are directed to significantly more than a patent-ineligible concept?

To establish a *prima facie* case, the Examiner must next identify all of the additional elements in each claim and explain why these elements, individually or collectively, do not add significantly more than the abstract idea. Here, the Examiner determines that the various features recited in the claims require “no more than a generic computer to perform generic computer functions that are well-understood, routine[,] and conventional activities previously known to the industry” (Final Act. 16) and the steps “are examples of insignificant extra-solution activities and are not meaningful limitations that add more than generally linking the abstract idea” (Ans. 7).

Consistent with the Examiner’s conclusions, Appellants’ Specification states that “[t]he server computer 204 may be conventional in its hardware aspects” (8:14); “[t]he computer processor 300 may be constituted by one or more conventional processors” (8:20–21); “[i]nput device 306 may comprise one or more of any type of peripheral device typically used to input data into a computer” (8:26–27); “the computer 202 may be conventional” (10:3); and each of the computers “may include conventional components such as CPU, a display, a keyboard and a mouse” (10:22–23). *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1369 (Fed. Cir. 2018) (“[w]hether something is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a factual determination.”).

As recognized by the Supreme Court, “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *See Alice*, 134 S. Ct. at 2358–59 (concluding claims “simply instruct[ing] the practitioner to implement the abstract idea of intermediated settlement on a generic computer” not patent eligible); *see also Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715–16 (Fed. Cir. 2014) (claims merely reciting an abstract idea of using advertising as currency as applied to particular technological environment of the Internet are not patent eligible); *Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1344–45 (Fed. Cir. 2013) (claims reciting “generalized software components arranged to implement an abstract concept [of generating insurance-policy-related tasks based on rules to be completed upon the occurrence of an event] on a computer” are not patent eligible); and *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333–34 (Fed. Cir. 2012) (“Simply adding a ‘computer aided’ limitation to a claim covering an

abstract concept, without more, is insufficient to render [a] claim patent eligible” (internal citation omitted)).

Although Appellants contend that “when properly evaluated as an ordered combination, the additional claim limitations as a whole amount to significantly more . . . [i.e.,] a remittance request server which functions in concert with an international payment card system” (App. Br. 13), we agree with the Examiner that “[t]he recitation of the computer related devices to implement the steps described above is not enough by themselves to transform the exception into [a] patentable exception, because these limitation are generic computer components” (Ans. 7).

Appellants further contend that “the claim elements solve a problem rooted in international payment card system technology similar to the additional elements in the *DDR Holdings* case . . . [because] the novel process utilized by the international remittance system is necessarily rooted in payment card system technology” (App. Br. 13).

In *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1259 (Fed. Cir. 2014), the subject claim was held patent-eligible because it encompassed “an inventive concept” for resolving a “particular Internet-centric problem.” In contrast, we find Appellants’ system claim (claim 1) does not provide 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. Because we find that Appellants’ specification illustrates that all claims on appeal merely use a generic computer or processor as a tool, and other generic components, which is used in the way a computer normally functions, we conclude the claims fail to impart any discernible improvement upon the computer or processor, for

example, nor do Appellants' claims solve "a challenge particular to the Internet" as considered by the court in *DDR*, 773 F.3d at 1256–57. Thus, we conclude none of Appellants' claims are like the claim held patent-eligible by the court in *DDR*, in which the claimed invention was directed to the "challenge of retaining control over the attention of the customer in the context of the Internet," such that:

Instead of the computer network operating in its normal, expected manner by sending the website visitor to the third-party website that appears to be connected with the clicked advertisement, the claimed system generates and directs the visitor to the above-described hybrid web page that presents product information from the third-party and visual "look and feel" elements from the host website.

DDR, 773 F.3d at 1258–59. Thus, we find unavailing Appellants' arguments that the claims are similar to *DDR Holdings* (*see* App. Br. 13), given that no convincing "inventive concept" for resolving a "particular Internet-centric problem" is identified by Appellants. Thus, we agree with the Examiner that "the parallel between the claims of the instant case and the *DDR Holdings* example" fails to be shown (Ans. 9).

Finally, Appellants contend that "the claims do not preempt the field of international remittance transactions" (App. Br. 15). Although preemption "might tend to impede innovation more than it would tend to promote it, 'thereby thwarting the primary object of the patent laws'" (*Alice*, 134 S. Ct. at 2354 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293 (2012))), "the absence of complete preemption does not demonstrate patent eligibility" (*Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)). Moreover, the Examiner is correct in that because we find the claimed subject matter

covers patent-ineligible subject matter under *Alice*, the pre-emption concern is necessarily addressed (*see* Ans. 10). “Where a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, [] preemption concerns are fully addressed and made moot.” *Ariosa Diagnostics*, 788 F.3d at 1379.

Because Appellants’ independent claims 1 and 7 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 these claims as well as the respective dependent claims under 35 U.S.C. § 101 as being directed to non-statutory subject matter in light of *Alice* and its progeny.

For the foregoing reasons, Appellants’ contentions are unpersuasive as to error in the rejection under 35 U.S.C. § 101.

Rejection under § 103(a)

Issue 2: Did the Examiner err in finding that the combined teachings of the cited art teach or suggest transmitting the electronic funds transfer file, as set forth in claim 1?

Appellants contend that Chauhan “functions in a distinctly different way from that which is claimed . . . [and] Claim 1 of the present case does not recite any such operations” (App. Br. 18). Appellants further contend that “Chauhan mention[s] accessing instructions for funds transfers, but neither of these passages teach[] or even suggest[] instructions configured to cause the remittance request server to . . . *transmit the electronic funds transfer file on a periodic basis directly to the agent bank computer*” (*id.*).

In response, the Examiner asserts that “[t]he limitations for the claims above as written, do not differentiate from the disclosures described [in Chauhan]” (Ans. 18). We agree with the Examiner. For example, the cited portions of Chauhan disclose:

In one aspect, the invention is a distributed remittance system for transferring monetary payments among users where the users consist of senders intending to make remittances and beneficiaries designated by the senders to receive remittances.

¶ 14.

Global Transaction Banks **46** of **FIG. 1** interact with the SIAMR system as illustrated in **FIG. 13**. GTB uploads and downloads statements of settlements with SIAMR. It accesses instructions for funds transfers from SIAMR.

¶ 105.

SIAMR system **30** sends fund transfer instructions to GTB at step **30A**. And GTS generates a Foreign Exchange transaction at step **48** & sends transaction instructions to GTB at step **48A**.

¶ 110.

In other words, the Examiner has shown that Chauhan teaches a global web-based financial remittance system for both *accessing instructions for funds transfer* and *sending instructions to transfer funds to GTB* (see also Chauhan’s Figs. 13 & 17 and Abstract). Appellants agree that “Chauhan mention[s] accessing instructions for funds transfers” (see App. Br. 18). However, it is unclear which of the claimed features that, according to Appellants, are missing from Chauhan’s disclosure, because Appellants’ arguments merely illustrate Chauhan’s teachings and then recite specific claim language, without presenting substantive arguments and supporting evidence persuasive of Examiner error. We decline to review the claims *sua sponte*, looking for distinctions over the prior art. *Cf. In re Baxter Travenol*

Labs., 952 F.2d 388, 391 (Fed. Cir. 1991) (“It is not the function of this court to examine the claims in greater detail than argued by an appellant, looking for [patentable] distinctions over the prior art.”). *See also Ex parte Belinne*, No. 2009-004693, 2009 WL 2477843 at *3–4 (BPAI Aug. 10, 2009) (informative). Unfortunately, Appellants are predominantly emphasizing features in Chauhan that claim 1 does not recite or require (*see* App. Br. 18), rather than specifically pointing out how the *language of the claims* patentably distinguishes them from the references.

Similarly, regarding Modi and Baumgartner, Appellants merely recite claim language, without specifically identifying how the *language of the claims* patentably distinguishes them from the combined teachings (*see* App. Br. 19–22). Furthermore, Appellants’ arguments do not take into account what the collective teachings of the prior art would have suggested to one of ordinary skill in the art and is therefore ineffective to rebut the Examiner’s prima facie case of obviousness. *See 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; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art.”) (citations omitted).

For instance, Appellants fail to rebut whether Modi *combined with* Chauhan and Baumgartner teaches or suggests the argued limitations, as opposed to merely arguing the Modi fails to teach such limitations (*see* App. Br. 20). Similar individual/separate arguments were made for Chauhan and Baumgartner (*see* App. Br. 19–22). Appellants’ argument against Modi

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separately from Chauhan and/or Baumgartner does not persuasively rebut the combination made by the Examiner. One cannot show non-obviousness by attacking references individually, where the rejections are based on combinations of references. *In re Merck & Co.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986).

Accordingly, we are not persuaded the Examiner erred in rejecting claims 1–8 for the reasons discussed *supra*.

DECISION

We affirm the Examiner's § 101 rejection.

We affirm the Examiner's § 103(a) rejection.

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