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BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte KENNARD CLOUD, MARCEL LEYVA,
CHANDERPREET SINGH DUGGAL, KRISTIN GOMES,
and CHARLES KIMES

Appeal 2017-006212
Application 13/620,054
Technology Center 3600

Before CAROLYN D. THOMAS, ERIC B. CHEN, and
AMBER L. HAGY, *Administrative Patent Judges*.

HAGY, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants¹ appeal under 35 U.S.C. § 134(a) from the Examiner's Non-Final Rejection of claims 1 and 21–39. Claims 2–20 are canceled. (Non-Final Act. 2.) We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ Appellants identify the real party in interest as III Holdings 1, LLC. (App. Br. 3.)

STATEMENT OF THE CASE

Introduction

According to Appellants, “[t]he present disclosure generally relates to electronic commerce, and more particularly, [to] a system and method of fraud prevention for electronic commerce.” (Spec. ¶ 2.)

As explained in Appellants’ Specification, “third party companies” may “provide value added services in the flow of data between a merchant and a financial institution” in connection with electronic commerce. (Spec. ¶ 3.) For example, the third parties may provide services such as “capturing data for analysis for marketing” or to “facilitate acceptance of payment products.” (*Id.*) According to Appellants, the systems of the third parties, however, may not support “additional data elements” for “new services or features.” (*Id.* ¶ 4.)

Appellants purport to address this issue by describing and claiming a system that sends the “request for fraud services” (which may not be supported by the “intermediary system”) *separately* to the financial institution, without transmitting it “via the intermediary system.” (*Id.* ¶ 5.) Appellants’ Specification further notes that transmitting sensitive information included within “enhanced authorization data,” such as a “social security number,” separately without going through the intermediary may increase security of sensitive information. (*See id.* ¶ 46.)

Representative Claim

Claims 1, 28, and 34 are independent. Claim 1, reproduced below, is representative of the claimed subject matter:

1. A method comprising:

generating, by a computing system, an authorization request for a transaction, wherein the authorization request includes transaction information associated with the transaction;

transmitting, by the computing system, the authorization request to an intermediary system, wherein the intermediary system is configured to forward the authorization request to a transaction account issuer;

generating, by the computing system, a request for fraud services that includes enhanced authorization data associated with the transaction, wherein the request is generated based on an application programming interface (API) that is supported by the transaction account issuer and that supports the enhanced authorization data;

transmitting, by the computing system, the request for fraud services to the transaction account issuer, wherein the intermediary system is not configured to receive or transmit the enhanced authorization data and wherein the request for fraud services is not transmitted via the intermediary system; and

receiving an authorization decision from the transaction account issuer, wherein the authorization decision is based on both the authorization request and the request for fraud services.

REJECTION

Claims 1 and 21–39 stand rejected under 35 U.S.C. § 101 as directed to patent-ineligible subject matter (abstract idea).

ANALYSIS

1. Principles of Law

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. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014) (citation omitted).

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, 75–77 (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*, 573 U.S. at 217. The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* For example, abstract ideas include, but are not limited to, fundamental economic practices, methods of organizing human activities, an idea of itself, and mathematical formulas or relationships. *Id.* at 218–20. The “directed to” inquiry asks not whether “the claims *involve* a patent-ineligible concept,” but instead whether, “considered in light of the specification, . . . ‘their character as a whole is directed to excluded subject matter.’” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (internal citations omitted). In that regard, we determine whether the claims “focus on a specific means or method that improves the relevant technology” or are “directed to a result or effect that itself is the abstract idea and merely invoke

generic processes and machinery.” *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314 (Fed. Cir. 2016).

If, at the first stage of the *Alice* analysis, we conclude that the claims are not directed to a patent-ineligible concept, they are considered patent eligible under § 101 and the inquiry ends. *Rapid Litig. Mgmt. Ltd. v. CellzDirect, Inc.*, 827 F.3d 1042, 1047 (Fed. Cir. 2016).

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*, 573 U.S. at 217 (quoting *Mayo*, 566 U.S. at 79, 78). 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.* at 217–18 (brackets in original) (quoting *Mayo*, 566 U.S. at 72–73). 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 postsolution activity.’” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (internal citation omitted).

The Patent and Trademark Office (the “Office”) recently published revised guidance on the application of 35 U.S.C. § 101. *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50–57 (Jan. 7, 2019) (“2019 PEG”). Under the 2019 PEG, the Office first looks to whether the claim recites:

(1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human activity such as a fundamental economic practice, or mental processes); and

(2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)).²

See 2019 PEG at 52, 54–55. Only if a claim (1) recites a judicial exception, and (2) does not integrate that exception into a practical application, does the Office then look to whether the claim:

(3) adds a specific limitation beyond the judicial exception that are not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or

(4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

See 2019 PEG at 56. We follow this framework in our analysis herein.

2. Appellants’ Arguments³

Appellants contend the claims are eligible under the first step of *Alice* because they are not directed to an abstract idea. (*See* App. Br. 11–15.) More specifically, Appellants assert that their claims are not directed to “risk mitigation or fraud prevention services themselves,” but rather “concern techniques for securely transmitting requests via different paths, which in turn may *facilitate* risk mitigation or fraud prevention.” (*Id.* at 9.) As such,

² All references to the MPEP are to Rev. 08.2017 (Jan. 2018).

³ Appellants argue all pending claims (claims 1 and 21–39) as group, focusing on independent claim 1. (*See* App. Br. 10–19.) We consider claim 1 to be representative of the claimed subject matter on appeal and, therefore, we decide the rejection of all pending claims on the basis of representative claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv).

according to Appellants, the claims are directed to “an improvement in computer-related technology, and thus patent-eligible subject matter.” (*Id.* at 12.) Citing the Federal Circuit’s decision in *Enfish*,⁴ Appellants argue the claimed invention “improve[s] the functioning of the overall computing system (elements of which are configured to communicate electronically) by facilitating provision of auxiliary services and increasing security.” (*Id.* at 13; *see also* Reply Br. 6.)

With regard to *Alice* step two, Appellants argue the claims recite “technical features” that “are related to improvements in computer transaction implementation and security,” which are “computer-related technologies.” (App. Br. 15.) As such, according to Appellants, the claims include features that “amount to significantly more than an abstract idea,” and “do[] not preempt any fundamental building blocks of human ingenuity.” (*Id.*)

3. Analysis

a. Step One of *Alice*/2019 PEG (1)

Prong 1: Whether the Claims Recite an Abstract Idea

In applying the framework set out in *Alice*, and as the first step of that analysis, the Examiner concludes claim 1 recites the abstract idea of “[p]erforming fraud mitigation for financial transactions,” which the Examiner finds “has been in widespread use[] in the industry and is considered to be a good business practice (a fundamental economic practice).” (Non-Final Act. 5.) The Examiner further notes claim 1 “does

⁴ *See Enfish*, 822 F.3d at 1335.

no more than call a ‘computing device’ for conducting electronic financial transactions via two communication paths.” (*Id.*)

In challenging the Examiner’s determination that the claims recite an abstract idea, Appellants argue the Examiner’s characterization of the claims is at too high a level of abstraction and ignores “the actual claim language.” (App. Br. 12–13; *see also* Reply Br. 2–3.) In particular, Appellants argue the asserted abstract idea of “[p]erforming fraud mitigation for financial transactions” ignores features of claim 1 such as the “transmitting” steps, in which one request (the “authorization request”) goes through an intermediary system to the financial institution, whereas the “request for fraud services” goes to the financial institution (“transaction account issuer”) without going through the intermediary system. (App. Br. 14.)

We are not persuaded of error. The Examiner did not merely consider a high-level characterization of the claims in concluding they recite an abstract idea, but instead reviewed the entirety of the claims. (*See* Non-Final Act. 5–6.) Consistent with the Examiner’s analysis, we conclude claim 1 recites steps performed by a “computing system” of “generating” and “transmitting” “an authorization request for a transaction” through “an intermediary system” to a “transaction account issuer”; and “generating” and “transmitting” “a request for fraud services that includes enhanced authorization data” to the “transaction account issuer”; and “receiving an authorization decision from the transaction account issuer.” (*See* App. Br. 21 (Claims App’x); *see also* Non-Final Act. 6–7.)

We agree with the Examiner that the aforementioned recited steps are steps of a fundamental economic practice—that is, performing fraud mitigation for financial transactions, which is a certain method of organizing

human activity and, thus, is an abstract idea. (*See* Non-Final Act. 6); *see also* 2019 PEG at 52. Consistent with the Examiner’s conclusions, and contrary to Appellants’ argument that claim 1 is not similar to any idea previously found to be abstract, we see no meaningful difference between Appellants’ claims and similar claims that courts have determined are directed to an abstract idea. For example, our reviewing court has explained that claims directed to “the mere formation and manipulation of economic relations” and “the performance of certain financial transactions” are directed to abstract ideas. *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014); *see also, e.g., Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014) (computer-implemented system for “using advertising as a currency [on] the Internet”); *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1352, 1355 (Fed. Cir. 2014) (computer-implemented system for guaranteeing performance of an online transaction); *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1370 (Fed. Cir. 2011) (computer-implemented system for “verifying the validity of a credit card transaction over the Internet”). (*See also* Ans. 12 (citing, e.g., *Ultramercial*)).

Thus, under prong 1 of Step 2A in accordance with the 2019 PEG, we agree with the Examiner’s conclusions that the claims recite an abstract idea in the form of a fundamental economic practice. We turn now to prong 2.

Prong 2: Whether the Claims Integrate the Abstract Idea Into a Practical Application⁵

In accordance with prong 2 of Step 2A of the 2019 PEG, the claims are evaluated to determine whether they recite additional elements beyond the abstract idea, and, if so, the additional elements are evaluated to determine whether they integrate the abstract idea into a practical application. 2019 PEG at 54. The 2019 PEG at page 55 provides the following exemplary considerations of whether an additional element:

- “reflects an improvement in the functioning of a computer, or an improvement to other technology or technical field”;
- “applies or uses a judicial exception to effect a particular treatment or prophylaxis for a disease or medical condition”;
- “implements a judicial exception with, or uses a judicial exception in conjunction with, a particular machine or manufacture that is integral to the claim”;
- “effects a transformation or reduction of a particular article [or thing] to a different state or thing”; or
- “applies or uses the judicial exception in some other meaningful way beyond generally linking the use of the judicial exception to a particular technological environment.”

⁵ We acknowledge that some of these considerations may be properly evaluated under the second step of *Alice* (Step 2B of Office Guidance as identified in the 2019 PEG). Solely for purposes of maintaining consistent treatment within the Office, we evaluate them under the first step of *Alice* (Step 2A of Office Guidance as identified in the 2019 PEG). See 2019 PEG at 54–55.

The 2019 PEG also highlights certain examples in which courts have held that “a judicial exception has *not* been integrated into a practical application,” such as where the claims “merely use[] a computer as a tool to perform an abstract idea” or the additional element adds “insignificant extra-solution activity” to the abstract idea. 2019 PEG at 55 (emphasis added).

Appellants argue that claim 1 does not recite an abstract idea because it claims an “improvement in computer-related technology”—namely: “[t]he advantages of claim 1 . . . improve the functioning of the overall computing system (elements of which are configured to communicate electronically) by facilitating provision of auxiliary services and increasing security.” (App. Br. 14; *see also* Reply Br. 6.) We disagree. The alleged advantages that Appellants tout do not concern an improvement to computer capabilities but instead relate to an alleged improvement in fraud mitigation that allows protection of sensitive user data. In particular, Appellants argue that the reason to send certain requests directly to the financial institution (such as requests “for fraud services”), and not through an intermediary system, is because “the additional information needed by the fraud mitigation tool may be *private or sensitive user data*, so transmitting this information via intermediary systems may be undesirable” (App. Br. 10 (emphasis added).) Thus, Appellants’ invention is directed to the *business problem* of preserving confidentiality of user data in a transaction with a financial institution, and is directed to the *business solution* of allowing some types of data (such as an “authorization request”) to be transmitted through an intermediary system before they go to the financial institution, while more sensitive requests (“for fraud services,” which include “enhanced authorization data”), are transmitted directly to the financial

institution—a process in which a computer is used as a tool in its ordinary capacity. (*See also* Ans. 15–16.)

Thus, as the Examiner concludes, and we agree, Appellants’ invention boils down to the abstract concept of transmitting different types of requests to a transaction account issuer (financial institution) via different communication paths (direct versus indirect). (*See* Non-Final Act. 5.) As our reviewing court has explained, the abstract idea exception to patent eligibility disallows the patenting of “basic concept[s],” such as “processing information through a clearinghouse.” *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333 (Fed. Cir. 2012); *see also Alice*, 573 U.S. at 216–17. Similar analysis applies here. Appellants do not persuasively explain how the type of request that is transmitted, or whether it is transmitted directly versus indirectly, makes the process any less abstract. Appellants’ Specification notes that transmitting authorization requests to a financial institution through an intermediary system is well-known (Spec. ¶ 3; *see also* App. Br. 9.) And Appellants do not assert that transmitting other types of requests directly to a financial institution is unconventional, nor do Appellants claim to invoke new technology in directing different requests along different communication paths. The idea that certain types of requests in a financial transaction, such as those containing “private or sensitive data,” should be sent directly to a recipient, as opposed to going through a third party, is a basic principle and part of a fundamental economic practice.

In arguing that their claims are directed to an improvement to computer-related technology or an improvement in a technological field (*see* App. Br. 11–13), Appellants also provide no persuasive arguments, and cite no evidence (such as by reference to their Specification), that their claimed

invention requires any specialized technology or relies upon technological improvements. Rather, as the Examiner finds, and we agree, “Appellant[s]’ specification, paragraph 81, clearly states that the present invention can [be] loaded and run on a general purpose computer.” (Ans. 15 (citing Spec. ¶ 81)). Appellants’ Specification also describes the recited “application programming interface (API)” in generic terms as “an interface implemented by a software program which enables the API to interact with other software,” without purporting to recite innovate technology. (Spec. ¶¶ 41–42.) Thus, as the Examiner further finds, and we agree: “Appellant[s] did not invent a new network system. Appellant[s] merely use the existing internet to improve communication and data distribution in a conventional and predictable way. Thus, the present claims do not provide technological improvements to the computer network itself.” (Ans. 16.)

We are not persuaded by Appellants’ argument that the claims are similar to the claims in *DDR Holdings*. (App. Br. 17.) In *DDR Holdings*, the disputed claims solved an Internet-specific problem (i.e., third-party merchants luring a host website’s visitor traffic away from the host website in response to clicking on a merchant’s advertisement link displayed on the host site) with an Internet-based solution (i.e., generating a composite web page displaying product information from the third-party merchant, but retaining the host website’s “look and feel”) that was “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *DDR Holdings*, 773 F.3d at 1257–58. That is not the case here. Instead, consistent with the Examiner’s findings, the claims merely recite an improvement to the underlying fundamental

economic practice of processing transaction authorizations that include requests for fraud mitigation. (*See* Non-Final Act. 5–6.)

We are also not persuaded that Appellants’ claims are similar to the claims in *BASCOM*.⁶ (*See* App. Br. 16.) In *BASCOM*, our reviewing court noted that an inventive concept can be found in a non-conventional and non-generic arrangement of known, conventional pieces. *See BASCOM*, 827 F.3d at 1350. However, the claims before us are distinguishable from those in *BASCOM*. In *BASCOM*, the system claims were directed to a “content filtering system for filtering content retrieved from an Internet computer network,” which the court held were directed to an abstract idea. *Id.* at 1348–49. The court further held the claims included an inventive concept in the ordered combination of system components, including a local client computer and a remote ISP server connected to the client computer and Internet computer network providing for “the installation of a filtering tool at a specific location, remote from the end-users, with customizable filtering features specific to each end user.” *Id.* at 1350. As noted above, Appellants have failed to establish that their claims include a similar or analogous arrangement or “ordered combination” of components. Appellants’ argued improvements in “computer transaction implementation and security” (i.e., “securely transmitting requests via different paths, which in turn may *facilitate* risk mitigation or fraud prevention” (App. Br. 9, 15)) is not due to any improvement in the underlying technology, but instead is an alleged improvement to processing the transaction authorization requests by sending different types of requests through different pathways.

⁶ *BASCOM Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016).

Appellants also argue that their claims are similar to subject matter recited in claim 2 of Example 21 as set forth in Appendix 1 of the “July 2015 Update on Subject Matter Eligibility,” 80 Fed. Reg. 45429 (July 30, 2015) (“Transmission of Stock Quote Data”). (App. Br. 17.) We disagree, as does the Examiner. (See Ans. 16–17.) Instead, we conclude Appellants’ claims are similar to *claim 1* of that same example, which is deemed to be patent *ineligible*. (July 2015 Update Appendix 1 at 2.) Claim 1 of Example 21 recites steps of “receiving” stock quotes, and then “filter[ing]” the quotes by “compar[ing]” them to other values, “generat[ing]” alerts and “format[ing]” the alerts, and finally “transmit[ing]” the alerts. (*Id.*) This claim is deemed to be patent *ineligible* as directed only to “comparing and formatting information for transmission.” (*Id.* at 3.)

In contrast, the claim found in Example 21 to be patent *eligible* (claim 2) recites the same steps as ineligible claim 1 of that example, but recites an additional step of “*activat[ing]* the stock viewer application to cause the stock quote alert to display on the remote subscriber computer and *to enable connection via the URL to the data store over the Internet when the wireless device is locally connected* to the remote subscriber computer. . . .” (*Id.* (emphasis added).) As noted in the July 2015 Update, this additional step of, *inter alia*, enabling a specific type of Internet connection renders the claim as amounting to “substantially more” than an abstract idea because the claim solves “an Internet-centric problem with a claimed solution that is necessarily rooted in computer technology, similar to the additional elements in *DDR Holdings*.” (*Id.* at 4.)

In other words, although both claims addressed in Example 21 are directed, per their preambles, to the same *purpose* of “distributing stock

quotes over a network to a remote subscriber computer,” they are *not* both patent eligible. Only the claim in Example 21 that involves more than “comparing and formatting information”—e.g., enabling a particular connection over the Internet to a data source, thereby “alerting a subscriber with time sensitive information when the subscriber’s computer is offline”—is deemed to be patent eligible. (*Id.*; *see also* Ans. 16–17.)

Similar reasoning applies with regard to Appellants’ attempt to analogize their claims to “example 1” of the “January 27, 2015 Abstract Idea Examples.”⁷ (App. Br. 17.) The claim in that example recited “communication containing malicious code is stored in the quarantine sector, the data contained within the communication is compared to malicious code-indicative patterns stored within a signature,” which, similarly to *DDR Holdings* and related cases, is directed to an improvement in the *operation* of a computer, not to an improvement (as here) in the processing of financial transactions facilitated by a computer. Although Appellants emphasize that their invention “restricts the physical pathways used for data transfers” (App. Br. 18), Appellants overstate the technical nature of their invention. As noted above, Appellants’ innovation merely improves the abstract idea of fraud mitigation by transmitting authorization requests separately from requests for fraud services (*see* App. Br. 10–11), and does not lie in novel technological pathways for sending those requests (Non-Final Act. 5).

To the extent Appellants maintain that the claims are not directed to one or more abstract ideas because they are allegedly patentable over the

⁷ Available at http://www.uspto.gov/patents/law/exam/abstract_idea_examples.pdf.

prior art (in light of the lack of prior-art rejection), Appellants misapprehend the controlling precedent. (*See* App. Br. 14–15.) A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 73. As the Federal Circuit has explained, a claim to an abstract idea is not rendered patentable even if it is “[g]roundbreaking, innovative, or even brilliant.” *See SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1163 (Fed. Cir. 2018). Rather, where, as here, “the advance lies entirely in the realm of abstract ideas,” the claims to that advance are ineligible for patenting. *See id.*

In summary, consistent with the Examiner’s findings, we find the claims do not include an improvement to another technology or technical field or an improvement to the functioning of the computer itself; we also find the claims do not include a treatment for a medical condition, a transformation of an article, or meaningful limitations beyond generally linking the use of an abstract idea to a particular technological environment. (*See* Non-Final Act. 5–6; *see also* Ans. 15–16.) Rather, the claims merely recite limitations that are instructions to implement the abstract idea with steps performed “by a computing system” and require no more than generic computer components (such as memories and processors, as recited in parallel apparatus claim 34) to perform “generic computer functions at a high level of generality.” (*See* Non-Final Act. 7.) Thus, the focus of the claims is not on an improvement in computers as tools, but on certain abstract ideas that use computers as tools. (*See id.*) As the Supreme Court has explained, “if a patent’s recitation of a computer amounts to a mere instruction to ‘implemen[t]’ an abstract idea ‘on . . . a computer,’ that

addition cannot impart patent eligibility.” *Alice*, 573 U.S. at 223 (quoting *Mayo*, 566 U.S. at 84).

We conclude the claims do not integrate the abstract idea into a practical application sufficiently to remove them from the realm of reciting patent-ineligible abstract ideas. Accordingly, we conclude the claims are directed to an abstract idea in step one of the *Alice* analysis.

b. Step Two of Alice

Regarding step two of the *Alice* analysis, the Examiner finds the elements of the claims, when considered individually or in combination, do not recite significantly more than the abstract idea. (See Non-Final Act. 6–7; Ans. 13.)

With respect to whether the claims recite elements that are well-understood, routine, and conventional, the Examiner also finds, and we agree:

The plurality of elements recited merely performs only its basic function of generating, transmitting, generating, transmitting, and receiving an authorization decision based on both the authorization request and the fraud service request. Thus, the recited generic computer components perform no more than their basic computer functions. These additional elements are well-understood, routine and conventional limitations that amount to mere instructions to implement the abstract idea of coordinating transactions.

(Non-Final Act. 7.) As noted *supra*, the Examiner bases this finding in part on Appellants’ Specification, which the Examiner finds (and we agree) discloses that the recited computer system “requires no more than a general purpose computer to perform generic functions that are well-understood, routine, and conventional activities previously known in the industry” (*Id.* at 9 (citing Spec. ¶ 81).) Although our reviewing court has held that

“[t]he patent eligibility inquiry may contain underlying issues of fact” (*see Berkheimer v. HP Inc.*, 881 F.3d 1360, 1365 (Fed. Cir. 2018)), we determine that Appellants’ arguments are insufficient to raise an issue of fact requiring the Examiner to present additional evidence showing that any aspect of the claims is well-understood, routine, and conventional in the art.

We are also not persuaded of Examiner error by Appellants’ argument that the Examiner has “ignored issues of preemption.” (App. Br. 15.) We agree the Supreme Court has described “the concern that drives this exclusionary principle [i.e., the exclusion of abstract ideas from patent eligible subject matter] as one of pre-emption.” *Alice*, 573 U.S. at 216. But characterizing pre-emption as a driving concern for patent eligibility is not the same as characterizing preemption as the sole test for patent eligibility. As our reviewing court has explained, “[t]he Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice*, 573 U.S. at 216). And although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.* Moreover, “[w]here a patent’s claims are deemed only to disclose patent ineligible subject matter under the [*Alice/Mayo*] framework . . . , preemption concerns are fully addressed and made moot.” *Id.*; *see also OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015), *cert. denied*, 136 S. Ct. 701 (2015) (“[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the ecommerce setting do not make them any less abstract.”).

The other relevant considerations regarding whether the claims are directed to something significantly more than an abstract idea have previously been discussed with respect to the first step of *Alice*. Thus, we conclude the claims are not directed to something significantly more than the abstract idea.

Accordingly, for the reasons discussed above, we sustain the Examiner's rejection of claim 1 under 35 U.S.C. § 101. For the same reasons, we also sustain the rejection of claims 21–39, which are not separately argued, under 35 U.S.C. § 101.

DECISION

For the above reasons, the Examiner's rejection of claims 1 and 21–39 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