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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 PAUL JONATHAN UNGERLAND II, DANIEL R. MICALE,
and MARK B. LAU
_____

Appeal 2017-007000[1]
Application 13/547,560
Technology Center 3600
_____

Before JOSEPH A. FISCHETTI, NINA L. MEDLOCK, and
AMEE A. SHAH, *Administrative Patent Judges*.

FISCHETTI, *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 rejection of claims 1–6, 8–17, and 19–23. We have jurisdiction under

35 U.S.C. § 6(b).   A hearing was held on May 8, 2019.

SUMMARY OF DECISION

We AFFIRM.

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[1] Appellants identify Netqash LLC as the real party in interest. App. Br. 3.

THE INVENTION

Appellants describe "[e]mbodiments of the present disclosure relate to using mobile communication devices to complete transactions in person-to-person, person-to-business, and business-to business transactions." Spec. ¶ 3.

Claim 1, reproduced below, is representative of the subject matter on appeal.

> 1. A method for securely processing a transaction using a requesting device, the method comprising:
>
> receiving, at the requesting device, one or more transaction details for the transaction;
>
> sending, from the requesting device to a server, a request to create a secure transaction image, wherein the request does not include sensitive personal information for a responding party to the transaction;
>
> receiving, at the requesting device, the secure transaction image from the server, wherein the secure transaction image is a unique image that represents the one or more transaction details;
>
> providing the secure transaction image to a responding device, wherein the responding device is associated with the responding party; and
>
> in response to providing the secure transaction image to the responding device, receiving, at the requesting device, status information related to the transaction from the server.

THE REJECTION

The Examiner relies upon the following as evidence of unpatentability:

Williams	US 2006/0095959 A1	May 4, 2006
Forzley	US 2008/0114657 A1	May 15, 2008
Merkow	US 2009/0057393 A1	Mar. 5, 2009

iTipping.com, How Much Should I Tip for Services? (accessed Apr. 6, 2015), http://web.archive.org/web/20060901152754/ http://www.itipping.com/tip-guide-services.htm

Masabi, Ideas for Interoperability of Secure Barcode Tickets (accessed April 6, 2015), http://www.masabi.com/2008/04/13/ideas-for-interoperability-of-secure-barcode-tickets/

The following rejections are before us for review.

Claims 1, 8, 15, and 23 under pre-AIA 35 U.S.C. § 112(a) as failing to comply with the written description requirement. Ans. 3.

Claims 1–6, 8–17, and 19–23 are rejected under pre-AIA 35 U.S.C. § 101 as being directed to non-statutory subject matter. Final Act. 14.

Claims 1–6, 8–11, 13–17, 19, and 21–23 are rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Merkow, Masabi, and Forzley. Final Act. 18.

Claim 12 is rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Merkow, Masabi, and Forzley in view of iTipping.com. Final Act. 31.

Claim 20 is rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Merkow, Masabi, and Forzley in view of Williams. Final Act. 32.

FINDINGS OF FACT

We adopt the Examiner's findings as set forth on pages 2–8, 14–18 in the Final Office Action[2] and on pages 4–15 in the Examiner's Answer, concerning only the 35 U.S.C. § 101 rejection.

ANALYSIS

35 U.S.C. § 112(a) REJECTION

The Examiner rejects claims 1, 8, 15, and 23 under 35 U.S.C. § 112(a) as failing to comply with the written description requirement. Specifically, the Examiner finds, "Claims 1, 8, 15, and 23 include the phrase 'wherein the request does not include sensitive personal information'. The element 'sensitive personal information' is not supported by the original abstract, specification or drawings. Introduction of new matter is not allowed in amendments to the Claims (MPEP 2163.06)." (Ans. 3).

Appellants argue that the Specification at paragraphs 28 and 35 "provides ample description of the type of information referred to by 'sensitive personal information.'" (Reply Br. 7, 8).

We agree with Appellants because we find that the Specification at paragraph 28 describes allowing "parties to complete financial transactions *without reliance* upon credit and debit cards and *without exposing potentially sensitive financial information*" (emphasis added). As such, we find that the Specification at least inherently, if not explicitly, describes that the "request does not include sensitive personal information." An applicant shows possession of the claimed invention by describing the claimed

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[2] All references to the Final Office Action refer to the Final Office Action mailed on June 27, 2016.

invention with all of its limitations using such descriptive means as words, structures, figures, diagrams, and formulas that fully set forth the claimed invention. *Lockwood v. Am. Airlines, Inc.*, 107 F.3d 1565, 1572 (Fed. Cir. 1997).

<div align="center">35 U.S.C. § 101 REJECTION</div>

We will affirm the rejection of claims 1–6, 8–17, and 19–23 under 35 U.S.C. § 101.

The Appellants argue claims 1–6, 8–11, 13–17, 19, and 21–23 as a group (App. Br. 20), and we select claim 1 as the representative claim for this group, and so the remaining claims stand or fall with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv) (2015).

An invention is patent-eligible if it claims a "new and useful process, machine, manufacture, or composition of matter." 35 U.S.C. § 101. However, the Supreme Court has long interpreted 35 U.S.C. § 101 to include implicit exceptions: "[l]aws of nature, natural phenomena, and abstract ideas" are not patentable. *E.g.*, *Alice Corp. v. CLS Bank Int'l*, 573 U.S. 208, 216 (2014).

In determining whether a claim falls within an excluded category, we are guided by the Supreme Court's two-step framework, described in *Mayo* and *Alice*. *Id.* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). In accordance with that framework, we first determine what concept the claim is "directed to." *See Alice*, 573 U.S. at 219 ("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."); *see also 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.").

Concepts determined to be abstract ideas, and thus patent ineligible, include certain methods of organizing human activity, such as fundamental economic practices (*Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as "molding rubber products" (*Diamond v. Diehr*, 450 U.S. 175, 191 (1981)); "tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores" (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1853))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

In *Diehr*, the claim at issue recited a mathematical formula, but the Supreme Court held that "[a] claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula." *Diehr*, 450 U.S. at 176; *see also id.* at 191 ("We view respondents' claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula."). Having said that, the Supreme Court also indicated that a claim "seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, . . . and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment." *Id.* (citing *Benson* and *Flook*); *see, e.g.*, *Diehr*, 450 U.S. at 187 ("It is now commonplace that an *application* of a law of nature or

mathematical formula to a known structure or process may well be deserving of patent protection.").

If the claim is "directed to" an abstract idea, we turn to the second step of the *Alice* and *Mayo* framework, where "we must examine the elements of the claim to determine whether it contains an 'inventive concept' sufficient to 'transform' the claimed abstract idea into a patent-eligible application." *Alice*, 573 U.S. at 221 (quotation marks omitted). "A claim that recites an abstract idea must include 'additional features' to ensure 'that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].'" *Id.* (alterations in original) (quoting *Mayo*, 566 U.S. at 77). "[M]erely requir[ing] generic computer implementation[] fail[s] to transform that abstract idea into a patent-eligible invention." *Id.*

The PTO recently published revised guidance on the application of § 101. 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) ("Guidance"). Under the Guidance, we first look 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* Manual of Patent Examining Procedure ("MPEP") § 2106.05(a)–(c), (e)–(h)).

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look to whether the claim:

> (3) adds a specific limitation beyond the judicial exception that is 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 Guidance, 84 Fed. Reg. at _____.

The U.S. Court of Appeals for the Federal Circuit has explained that "the 'directed to' inquiry applies a stage-one filter to claims, considered in light of the specification, based on whether 'their character as a whole is directed to excluded subject matter.'" *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)). It asks whether the focus of the claims is on a specific improvement in relevant technology or on a process that itself qualifies as an "abstract idea" for which computers are invoked merely as a tool. *See id.* at 1335–36.

In so doing, as indicated above, we apply a "directed to" two prong analysis to the first step of the *Alice* analysis: 1) evaluate whether the claim recites a judicial exception, and 2) if the claim recites a judicial exception, evaluate whether the claim "appl[ies], rel[ies] on, or use[s] the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception." Guidance, 84 Fed. Reg. at 53; *see also* MPEP § 2106.05(a)–(c), (e)–(h).

The Specification states:

Embodiments of the present disclosure relate to using mobile communication devices to complete transactions in person-to-person, person-to-business, and business to-business transactions. The transactions may be performed by a human interacting with a device or two or more devices interacting with each other. In embodiments, the transactions may be financial transactions; however, other types of transactions may

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be performed using the systems and methods disclosed herein. Specification ¶ 3. The Specification at paragraph 5 states, "a method performed by a payee, or merchant, device may begin a transaction by receiving transaction details and initiating the creation of a secure image." The Specification at paragraph 6 also states, "a method performed by a payor, or customer, device may initiate the completion of a transaction by receiving the secure image." The preamble says it is for "securely processing a transaction." Claim 1. Understood in light of the Specification, claim 1, recites, in pertinent part:

> receiving, . . . one or more transaction details for the transaction; sending, . . . a request to create a secure transaction image, wherein the request does not include sensitive personal information for a responding party to the transaction; receiving, . . . the secure transaction image . . ., wherein the secure transaction image is a unique image that represents the one or more transaction details; providing the secure transaction image . . .; and in response to providing the secure transaction image . . ., receiving, . . . status information related to the transaction . . . .

Accordingly, the Examiner found that the claims are directed to "performing secured commercial transactions." (Final Act. 15).

We agree with the Examiner that claim 1 is a way of performing secured commercial transactions for the reasons supported by the intrinsic evidence set forth above. Commercial interactions, such as transactions, are a certain method of organizing human activity which is patent-ineligible. Accordingly, we find that claim 1 recites a patent ineligible certain method of organizing human activity. Guidance, 84 Fed. Reg. at 52, citing *Alice*, 573 U.S. at 219–220.

In addition, we find that, because claim 1 also recites "creat[ing] a

secure transaction image, wherein the request does not include sensitive personal information for a responding party to the transaction;" and a "secure transaction image [that] is a unique image that represents the one or more transaction details," the claims are also describing concepts performed in the human mind, i.e., mental processes. These steps mimic human thought processes of selecting certain information over others, i.e., evaluation, and creating perhaps with paper and pencil, graphic data interpretation perceptible only in the human mind. *See In re TLI Commc'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). The Federal Circuit has held similar concepts to be abstract. Thus, for example, the Federal Circuit has held that abstract ideas include the concepts of collecting data, analyzing the data, and reporting the results of the collection and analysis, including when limited to particular content. *See, e.g.*, *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1340–41 (Fed. Cir. 2017) (identifying the abstract idea of organizing, displaying, and manipulating data); *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016) (characterizing collecting information, analyzing information by steps people go through in their minds, or by mathematical algorithms, and presenting the results of collecting and analyzing information, without more, as matters within the realm of abstract ideas). Thus, under the first prong, claim 1 also recites the patent ineligible judicial exception of a mental process.

Turning to the second prong of the "directed to" test, claim 1 only generically requires "a requesting device," "a server," and "responding device." These components are described in the Specification at a high level

of generality. *See* Spec. ¶¶ 30–33, Fig. 1. We fail to see how the generic recitations of these most basic computer components and/or of a system so integrates the judicial exception as to "impose[] a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception." Guidance, 84 Fed. Reg. at 53. We also find no indication in the Specification that the claimed invention effects a transformation or reduction of a particular article to a different state or thing.

Thus, we find that the claim recites the judicial exceptions of organizing human activity and a mental process that are not integrated into a practical application.

That the claim does not preempt all forms of the abstraction or may be limited to transaction processing, does not make it any less abstract. *See OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) ("And that 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.").

Turning to the second step of the *Alice* analysis, because we find that the claim 1 is directed to abstract ideas/judicial exceptions, the claim must include an "inventive concept" in order to be patent-eligible, i.e., there must be an element or combination of elements sufficient to ensure that the claim in practice amounts to significantly more than the abstract idea itself. *See Alice*, 573 U.S. at 217–18 (quoting *Mayo*, 566 U.S. at 72–73).

Concerning this step, the Examiner found the following:

> The elements of the instant process, when taken alone, each execute in a manner routinely and conventionally expected of these elements. The elements of the instant process, when taken

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> in combination, together do not offer substantially more than the sum of the functions of the elements when each is taken alone. That is, the elements involved in the recited process undertake their roles in performance of their activities according to their generic functionalities which are well-understood, routine and conventional. The elements together execute in routinely and conventionally accepted coordinated manners and interact with their partner elements to achieve an overall outcome which, similarly, is merely the combined and coordinated execution of generic computer functionalities which are well-understood, routine and conventional activities previously known to the industry.

Final Act. 16–17.

We agree with the Examiner. "[T]he relevant question is whether the claim[] here do[es]more than simply instruct the practitioner to implement the abstract idea . . . on a generic computer." *Alice*, 573 U.S. at 225. It does not.

Taking the claim elements separately, the function performed by the computer at each step of the process is purely conventional. Using a computer to retrieve, send, provide, and respond by applying decision criteria to data as a result amounts to electronic data query and retrieval—one of the most basic functions of a computer. All of these computer functions are well-understood, routine, conventional activities previously known to the industry. *See Elec. Power Grp.*, 830 F.3d at 1354; *see also In re Katz Interactive Call Processing Patent Litig.*, 639 F.3d 1303, 1316 (Fed. Cir. 2011) ("Absent a possible narrower construction of the terms 'processing,' 'receiving,' and 'storing,' . . . those functions can be achieved by any general purpose computer without special programming"). In short, each step does no more than require a generic computer to perform generic computer functions. The claim does not, for example, purport to improve

the functioning of the computer itself. In addition, as we stated above, the claim does not effect an improvement in any other technology or technical field. The Specification spells out different generic equipment and parameters that might be applied using this concept and the particular steps such conventional processing would entail based on the concept of information access under different scenarios (*see, e.g.*, Specification ¶ 29). Thus, claim 1 amounts to nothing significantly more than instructions to apply the abstract ideas of organizing human activity and a mental process using some unspecified, generic computer. Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice*, 573 U.S. at 226.

Considered as an ordered combination, the computer components of Appellants' claim 1 add nothing that is not already present when the steps are considered separately. The sequence of data reception-analysis (retrieve, send, provide and respond by applying decision criteria to data as a result) and storing is equally generic and conventional or otherwise held to be abstract. *See Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014) (sequence of receiving, selecting, offering for exchange, display, allowing access, and receiving payment recited an abstraction), *Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.*, 876 F.3d 1372, 1378 (Fed. Cir. 2017) (holding that sequence of data retrieval, analysis, modification, generation, display, and transmission was abstract), *Two-Way Media Ltd. v. Comcast Cable Commc'ns, LLC*, 874 F.3d 1329, 1339 (Fed. Cir. 2017) (holding sequence of processing, routing, controlling, and monitoring was abstract). The ordering of the steps is, therefore, ordinary and conventional.

We have reviewed all the arguments Appellants have submitted concerning the patent eligibility of the claims before us that stand rejected under 35 U.S.C. § 101. (App. Br. 20–30; Reply Br. 3–5). We find that our analysis above substantially covers the substance of all the arguments, which have been made. But, for purposes of completeness, we will address various arguments in order to make individual rebuttals of same.

Appellants argue, "[t]he pending claims are not directed towards agreements between people or performance of financial transactions. The claims do not relate to creating a contractual relationships [sic] or performing fundamental practices like hedging or mitigating settlement risk." (App. Br. 23).

Appellants' argument is not persuasive as to error in the rejection. The Examiner found that "[t]he claims are directed to performing secured commercial transactions." (Final Act. 15). The Specification and claims support this finding. That is, the Specification states: "[e]mbodiments of the present disclosure relate to using mobile communication devices to complete transactions in person-to-person, person-to-business, and business to-business transactions. The transactions may be performed by a human interacting with a device" Specification ¶ 27. Claim 1 begins by reciting a method for, "securely processing a transaction." Thus, the Examiner's finding is reasonable in light of what Appellants describe in the Specification.

Appellants also argue, "Applicants respectfully disagree with the Office Action's simplistic characterization of the claims. To be sure, the Office Action completely disregards the claim language and the teachings

provided in Applicants' specification by providing this overly broad characterization of the claims." (App. Br. 22).

We disagree with Appellants because again, as we have shown above, the Specification supports by intrinsic evidence the Examiner's finding that "[t]he claims are directed to performing secured commercial transactions." (Final Act. 15). Second, we do not find error in the degree of specificity by which the Examiner characterizes a judicial exception because "[a]n abstract idea can generally be described at different levels of abstraction." *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). To these ends, as we found above, the claim is also directed to yet a further judicial exception which is, concepts performed in the human mind. Thus, we find no error in the how the claims have been characterized because each determination has been supported by Appellants' own words from the Specification and the claims.

Appellants further argue,

> Application of the Office Action's position would render any system related to electronic communication an unpatentable abstract idea. For example, application of the Office Action's reasoning would render credit card chip readers, locks for bank vault doors, and components for an armored vehicle used to securely transfer funds unpatentable subject matter.

(App. Br. 23). Appellants then argue, "[a]spects recited in the disclosure make use of three separate devices acting in coordination in order to securely complete a transaction. As such, the various claimed aspects amount to a greater deal more than an uninstantiated concept, plan or scheme." (App. Br. 24).

We disagree with Appellants first, because on its face, claim 1 recites "[a] method for securely processing a transaction using a requesting device."

Thus, the preamble itself specifies a method of securely processing a transaction, and not a device. Concerning Appellants' argument that the claims "make use of three separate devices acting in coordination," we note that claim 1 only inferentially recites devices, e.g., "a server" and "a responding device," as part of the transaction process. Whereas, in the case of credit card chip reader, or a lock for a bank vault, those items would be positively recited as the items themselves, which is not the case in the claims here.

Second, although we agree with Appellants that the claims must be read, as a whole (App. Br. 27), we nevertheless find, on balance, that claim 1 is directed at least to concepts performed in the human mind as mental processes. These steps mimic human thought processes of selecting certain information over others, i.e., evaluation, and creating perhaps with paper and pencil, graphic data interpretation perceptible only in the human mind. As found *supra*, claim 1 only generically requires "a requesting device," "a server," and "responding device." What remains in the claim after disregarding the device recitations, are abstractions, e.g., "request does not include sensitive personal information for a responding party to the transaction," and creating "a secure transaction image [that] is a unique image." "[A] claim for a *new* abstract idea is still an abstract idea." *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016) (citing *Mayo*, 566 U.S. at 90). To the extent Appellants are arguing that the device recitations are additional elements constituting an inventive concept, such features cannot constitute the "inventive concept." *Berkheimer v. HP, Inc.*, 890 F.3d 1369, 1374 (Fed. Cir. 2018) (Moore, J., concurring) ("It is clear from *Mayo* that the 'inventive concept' cannot be

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the abstract idea itself, and *Berkheimer* . . . leave[s] untouched the numerous cases from this court which have held claims ineligible because the only alleged 'inventive concept' is the abstract idea."); *see also BSG Tech. LLC v. BuySeasons, Inc.*, 899 F.3d 1281, 1290 (Fed. Cir. 2018) ("It has been clear since *Alice* that a claimed invention's use of the ineligible concept to which it is directed cannot supply the inventive concept that renders the invention 'significantly more' than that ineligible concept.").

Appellants' arguments directed to now-superseded USPTO guidelines (App. Br. 22–28, 29–30), have been considered but are not persuasive of error. (*See* Guidance, 84 Fed. Reg. at 51 ("Eligibility-related guidance issued prior to the Ninth Edition, R–08.2017, of the MPEP (published Jan. 2018) should not be relied upon.")))).

Citing to *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) Appellants argue,

> [t]he pending claims, however, recite specific and inventive systems and methods capable of providing secure communication over an open network, such as the Internet. In doing so, the claimed technology does two things. It solves a problem that arises specifically due to the Internet, similar to the claims found allowable in *DDR* and provide an improvement to the functioning of a network.

(App. Br. 28).

We fail to see the similarities asserted by Appellants between the claims on appeal here and those adjudicated in *DDR Holdings*. (App. Br. 28.) In *DDR Holdings*, the court evaluated the eligibility of claims "address[ing] 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

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'clicking' on an advertisement and activating a hyperlink." 773 F.3d at 1257. There, the court found that the claims were patent-eligible because they transformed the manner in which a hyperlink typically functions to resolve a problem that had no "pre-Internet analog." *Id.* at 1258. The court cautioned, however, "that not all claims purporting to address Internet-centric challenges are eligible for patent." *Id.* For example, in *DDR Holdings* the court distinguished the patent-eligible claims at issue from claims found patent-ineligible in *Ultramercial*. *See id.* at 1258–59 (citing *Ultramercial*, 772 F.3d at 715–16). As noted there, the *Ultramercial* claims like those before us here, were "directed to [a judicial exception, in that case,] a specific method of advertising and content distribution that was previously unknown and never employed on the Internet before." *Id.* at 1258 (quoting *Ultramercial*, 772 F.3d at 714). Nevertheless, those claims were patent-ineligible because they "merely recite[d] the abstract idea of 'offering media content in exchange for viewing an advertisement,' along with 'routine additional steps such as updating an activity log, requiring a request from the consumer to view the ad, restrictions on public access, and use of the Internet.'" *Id.*

Citing to *BASCOM Global Internet v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016), Appellants assert, "[t]he 'inventive concept' may arise in one or more of the individual claim limitations or in the ordered combination of the limitations." (App. Br. 27). We fail again to see how the instant claims are similar to those in *BASCOM*. There, an intermediary is inserted between two otherwise conventional computer nodes to move the location where a process is otherwise ordinarily executed. In *BASCOM*, it was the location of the filtering element, whereas in the instant claims there

is no such specific location of an ordered combination of elements. That the language also includes a general reference to the use of "a requesting device," "a server," and "responding device," does not make the corresponding generic recitations of the claimed basic computer components and/or of a system so effective as to integrate the judicial exception in a way that "imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception." Guidance, 84 Fed. Reg. at 53. Absent evidence to the contrary, we view the recitation of "a requesting device," "a server," and "responding device" to be only an indication of the environment in which the abstract idea is practiced.

> MPEP 2106.05(h) concern[s] generally linking use of a judicial exception to a particular technological environment or field of use, including a discussion of the exemplars provided herein, which are based on *Bilski*, 561 U.S. at 612, and *Flook*, 437 U.S. at 588-90. Thus, the mere application of an abstract method of organizing human activity in a particular field is not sufficient to integrate the judicial exception into a practical application.

Guidance, 84 Fed. Reg. at 53 n.32, *see also Alice*, 573 U.S. at 223.

35 U.S.C. § 103(a) REJECTION

Each of independent claims 1, 8, 15, and 23 requires, in one form or another, "receiving, at the requesting device, the secure transaction image from the server, wherein the secure transaction image is a unique image that represents the one or more transaction details," and "providing the secure transaction image to a responding device, wherein the responding device is associated with the responding party; and in response to providing the secure transaction image to the responding device, receiving, at the requesting

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device, status information related to the transaction from the server."

The Examiner found that these limitations are taught by Merkow at paragraphs 3, 13, 18, 30, 32, 42–44, and 50. (Final Act. 19–20).

Appellants argue the following:

> Merkow, on the other hand, relates to systems and methods for completing a financial transaction. Merkow teaches a system in which a purchaser sends a request to a payment issuer. *See* Merkow, para. [0058]. In response, the payment issuer provides a challenge response to the purchaser to confirm the purchaser's identity. *See id.*, para. [0062]. If the purchaser correctly answers the challenge response, the payment issuer provides a surrogate account number (which may take the form of a barcode) that identifies the financial account that will be used for the financial transaction. The purchaser provides the surrogate account number to complete payment. *See id.*, para. [0070]. As such, the system disclosed in Merkow requires the purchaser to transfer information used to complete the transaction to a merchant in order to complete the transaction.

(App. Br. 32.)

We agree with Appellants. In Merkow, the bar code which we consider to be the claimed, "secured transaction image," is sent to a requesting device, which in Merkow, is the user mobile communication device. *See* Merkow ¶ 64. The requesting/mobile device provides the bar code to a POS device. *See id.* ¶ 69. However, according to Merkow it is the POS device, and not the requesting/mobile device, which responds by requesting a status or "an ISO-8583 authorization request." *Id.* ¶ 70. Merkow does not disclose to which device the issuer sends the response. But, we find that because an ISO-8583 message is a financial transaction card originating message,[3] the response would be returned to the card reader

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[3] https://www.iso.org/obp/ui/#iso:std:iso:8583:-1:ed-1:v1:en (last visited

which originated the message, which in Merkow would be the POS device and not the requesting/mobile device as required by the claims. Thus, Merkow does not disclose "in response to providing the secure transaction image to the responding device, receiving, at the requesting device, status information related to the transaction from the server."

The Examiner cites to Forzley only for the purpose of disclosing, "that bar codes can be used to increase information security." (Final Act. 19). Likewise, the Examiner cites to Masabi only for the purpose of disclosing, "bar codes can be used to increase information security." *Id.* Therefore, we find that the secondary references relied on by the Examiner in the rejection of independent claims 1, 8, 15, and 23 do not remedy the deficiency noted above.

Because claims 2–6, 21; 9–14; 16, 17, 19, 20, and 22 depend from claims 1, 8, and 15, respectively, and because we cannot sustain the rejection of claims 1, 8, and 15, the rejection of the dependent claims likewise cannot be sustained.

CONCLUSIONS OF LAW

We conclude the Examiner erred in rejecting claims 1–6, 8–17, and 19–23 under 35 U.S.C. § 112(a).

We conclude the Examiner did not err in rejecting claims 1–6, 8–17, and 19–23 under 35 U.S.C. § 101.

We conclude the Examiner erred in rejecting claims 1–6, 8–17, and 19–23 under 35 U.S.C. § 103.

DECISION

Because we have affirmed at least one ground of rejection with respect to each claim on appeal, the Examiner's decision is affirmed. *See* 37 C.F.R. § 41.50(a)(1).

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