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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MOHAMMAD KHAN, PRADEEP KUMAR, and
KAUSHIK ROY¹

Appeal 2017-007909
Application 13/170,903
Technology Center 3600

Before CAROLYN D. THOMAS, NABEEL U. KHAN, and
DAVID J. CUTITTA II, *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, 11–18, and 21, all the pending claims in the present application. Claims 9, 10, 19, and 20 are canceled. *See* Claims App'x. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

We AFFIRM.

¹Appellants name as the real party in interest MasterCard International Incorporated (App. Br. 2).

The present invention relates generally to registering in a merchant sponsored program using a near field communication (NFC) device.

See Abstract.

Claim 11 is illustrative:

11. A method for registering into a merchant sponsored program using a near field communication (NFC) enabled mobile device, the method comprising:

interfacing, via NFC, an NFC enabled mobile device with a smart poster associated with a merchant sponsored program to obtain a merchant sponsored program identifier and a location identifier from the smart poster, wherein the merchant sponsored program includes a loyalty program or a payment program sponsored by a merchant;

receiving, at a merchant backend server, a request message for merchant sponsored program registration information from the NFC enabled mobile device, wherein the request message is automatically communicated to the merchant backend server by a wallet application in the NFC enabled mobile device using the location identifier in response to the interfacing between the NFC enabled mobile device and the smart poster, wherein the request message from the NFC enabled mobile device includes the merchant sponsored program identifier;

obtaining, by the merchant backend server, merchant sponsored program registration information associated with the merchant sponsored program by using the merchant sponsored program identifier to access a database containing the merchant sponsored program registration information;

providing, by the merchant backend server, the merchant sponsored program registration information to the NFC enabled mobile device;

receiving, by the merchant backend server, a confirmation message from the NFC enabled mobile device confirming participation of a user associated with the NFC enabled mobile device in the merchant sponsored program; and

enrolling, by the merchant backend server the user associated with the NFC enabled mobile device in the merchant sponsored program upon receiving the confirmation message, wherein the confirmation message indicates an agreement by the user associated with the NFC enabled mobile device to participate in the merchant sponsored program in accordance with the terms and conditions of the merchant sponsored program and is sent from the NFC enabled mobile device to the merchant backend server after the NFC enabled mobile device receives the merchant sponsored program registration information;

providing, by the merchant backend server and via an over the air (OTA) provisioning server, an electronic merchant sponsored program softcard that is associated with the merchant sponsored program to the NFC enabled mobile device in response to receiving the confirmation message, and wherein the electronic merchant sponsored program softcard includes an electronic loyalty softcard, an electronic credit softcard, or an electronic debit softcard that is stored within a wallet application of the NFC enabled mobile device; and

wherein the merchant backend server includes a hardware based processor.

Appellants appeal the following rejections:

R1. Claims 1–8, 11–18, and 21 are rejected under 35 U.S.C.

§ 101 because the claimed invention is directed to patent-ineligible subject matter (Final Act. 2–4); and

R2. Claims 1–8, 11–18, and 21 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Berglund (US 2008/0120128 A1, May 22, 2008), Natrajan (US 2010/0094708 A1, Apr. 15, 2010), Wolf (US 2009/0055248 A1, Feb. 26, 2009), Overhultz (US 2006/0277104 A1, Dec. 7, 2006), and Hertel (US 2009/0288012 A1, Nov. 19, 2009).

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 finding that the claims are directed to patent-ineligible subject matter?

Alice Corp. Pty. Ltd. v. CLS Bank Int'l, 134 S. Ct. 2347 (2014), identifies a two-step framework for determining whether claimed subject matter is judicially excepted from patent eligibility under § 101. According to *Alice* step one, “[w]e must first determine whether the claims at issue are directed to a patent-ineligible concept,” such as an abstract idea. *Alice*, 134 S. Ct. at 2355. “If the claims are not directed to an abstract idea [or other patent-ineligible concept], the inquiry ends. If the claims are ‘directed to’ an abstract idea, then the inquiry proceeds to the second step of the Alice framework.” *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016). In analyzing whether a claim is directed to an abstract idea, we look to other decisions where similar concepts were previously found abstract by the courts. *See Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016).

In this regard, with respect to independent method claim 11, and similarly, system claim 1 and computer readable medium claim 21, the Examiner determines that the claims are directed to the abstract idea of “*comparing new and stored information and using rules to identify options*” (Final Act. 3, *citing SmartGene and Bilski*) and “*human activity relating to commercial practices*” (*id.*).

We find that the Examiner’s cogent analysis, relying on judicial examples, shows the Examiner provided an adequate basis for determining that the claims are directed to an abstract idea.

Appellants challenge the Examiner’s determinations on the grounds that: (1) “the claims are rooted in computer technology . . . [l]ike the finding in *DDR Holdings*” (App. Br. 12); (2) the claims “could not be performed manually by a human (e.g., interfacing the NFC mobile device with a smart poster)” (*id.* at 14); and (3) the claims “do not pose a preemption risk of any kind” (*id.* at 15).

Regarding Appellants’ argument that their claims are like the claims in *DDR Holdings*, the Examiner determines, and we agree, that “registration into a loyalty program has been around before the internet and one only needed to walk into a physical store to provide the necessary information to the merchant for registration” (Ans. 3) and that “Appellant[s]’ claims are seen to be merely directed towards using devices to automate collection and transmission of registration information . . . of loyalty information from merchant to customer” (*id.*). See *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”).

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.” Specifically, the invention in *DDR Holdings* allowed a host merchant website to maintain the look and feel of the host website when

hyperlinking to outside merchants' product pages, i.e., "specify how interactions with the Internet are manipulated to yield a desired result."

DDR Holdings, 773 F.3d at 1257–58.

In contrast, we find Appellants' method performed by a NFC enabled mobile device, smart poster, backend server, and OTA server (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 Holdings*, 773 F.3d at 1257. Because we find all claims on appeal merely use generic components as tools in such a way that these components normally function, we conclude that the claims fail to impart any discernible improvement upon the components; nor do Appellants' claims solve "a challenge particular to the Internet" as considered by the court in *DDR Holdings*, 773 F.3d at 1256–57. Thus, we find unavailing Appellants' arguments that the claims are similar to *DDR Holdings*, given that no convincing "inventive concept" for resolving a "particular Internet-centric problem" is identified by Appellants. As such, we agree with the Examiner that "the claims are not deeply rooted in computer technology so as to overcome a problem specifically arising in computer technology" (Ans. 3).

Regarding Appellants' second argument *supra* that the claims "could not be performed manually by a human (e.g., interfacing the NFC mobile device with a smart poster)" (App. Br. 14), we agree with the Examiner that "a fact showing that the claim requires a computer and is not a pure mental process is not dispositive [We must] follow the two-part analysis from *Alice*" (Ans. 5–6). The Examiner further notes that "the claims at issue are still similar to the abstract idea identified by the courts in *SmartGene*" (*id.* at 6).

For example, in *SmartGene*, the Federal Circuit concluded that claims reciting methods and systems of selecting a therapeutic treatment regimen for a patient with a known disease were directed to an abstract idea. *SmartGene, Inc. v. Advanced Biological Labs., SA*, 555 F. App'x. 950 (Fed. Cir. Jan. 24, 2014) (nonprecedential). The court concluded the claims at issue were abstract because the claims did “no more than call on a ‘computing device,’ with basic functionality for comparing stored and input data rules, to do what doctors do routinely” *Id.* at 954. The court explained that “every [claimed] step is a familiar part of the conscious process that doctors can and do perform in their heads.” *Id.* at 955. Analogously, in this case, the Examiner determines that “one only needed to walk into a physical store to provide the necessary information to the merchant for registration” into a loyalty program (Ans. 3).

Therefore, we agree with the Examiner that the abstract idea to which claim 1 is directed is similar to those claims found to be abstract ideas in *SmartGene*, which the court described as “the mental steps of comparing new and stored information and using rules to identify medical options.” *SmartGene*, 555 F. App'x. at 955.

Regarding Appellants’ third argument *supra* that the claims “do not pose a preemption risk of any kind” (App. Br. 15), the Examiner concludes, and we agree, that “preemption is not a standalone test for patent eligibility [in that] [p]reemption concerns have been addressed by the [E]xaminer through the application of the two-part framework from *Alice Corp* and *Mayo*” (Ans. 9).

Although pre-emption “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)). “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.

Thus, we agree with the Examiner that the claims are directed to an abstract idea.

We now turn to the second step of the *Alice* framework: “a search for an ‘inventive concept’—*i.e.*, an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice*, 134 S. Ct. at 2355 (alteration in original) (quoting *Mayo*, 566 U.S. at 72–73).

The Examiner determines that “[t]he claim(s) do not include additional elements that are sufficient to amount to significantly more than the judicial exception because these elements . . . all either further describe the abstract idea . . . or are merely insignificant extra-solution activity” (Final Act. 3). Appellants fail to address these determinations in the Appeal Brief and/or the Reply Brief.

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).

Because Appellants’ independent claims 1, 11, and 21² 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 respective dependent claims 2–8 and 12–18 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)

Claims 1–4, 6–8, 11–14, 15–18, and 21

Issue 2: Did the Examiner err in finding that the cited art collectively teaches or suggests a location identifier, as set forth in representative claim 11?

Appellants contend that: (1) in Berglund “there is no teaching or suggestion of automatically communicating a request message to a merchant backend server by a wallet application using a location identifier obtained from a smart poster” (App. Br. 20); (2) “there is no teaching or suggestion in Overhultz of obtaining a location identifier from the RFID tag . . . [or] communicating a request message to a merchant backend server by the mobile device using the location identifier obtained from the smart poster” (*id.* at 21); (3) “there is no teaching or suggestion in Hertel of a location

² *Alice* also confirmed that if a patent’s systems claims are no different in substance from its method claims, they will rise and fall together. 134 S. Ct. at 2360. The same was true of the *Alice* patent’s media claims. *Id.*

identifier” (*id.*); (4) and “that cited references Natrajan and Wolf . . . are also completely silent with regard to this element” (*id.* at 22). Specifically, Appellants contend that “while Overhultz does generally disclose that RFID reader may be configured to ‘determine the location of an RFID tag within a zone,’ there is no teaching or suggestion of using a location identifier” as set forth in claim 11 (*id.* at 20). For instance, claim 11 recites, *inter alia*, that “*the request message is automatically communicated to the merchant backend server by a wallet application in the NFC enable mobile device using the location identifier*” (*see* claim 11) (emphasis added) (citations omitted).

In other words, the claimed “location identifier” is used to navigate the request message to the merchant backend server. Appellants’ Specification describes exemplary location identifiers, “e.g., an IP address, a URL, a URI, and the like” (*see* Spec. 5:17–20). Contrary to Appellants’ exemplary descriptions of the claimed “location identifier” and how it is being used, Overhultz merely discloses that “the RFID readers may also be configured to determine the location of an RFID tag within a zone” (*see* Overhultz ¶ 25). Here, we find that Overhultz is merely referring to a physical location of the RFID tag within a zone, as opposed to an IP address of something else, particularly a backend server.

Although the Examiner points out what the individual references are being used for, i.e., “**Berglund** teaches a request message that is automatically communicated to a server by an RFID enabled mobile device, **Overhultz** teaches obtaining identifiers and locations of RFID tags, and **Hertel** teaches an e-wallet, on his NFC enables phone, automatically requests [send a message] . . . in response to interfacing the NFC enabled

mobile phone device with a access point [smart poster]” (Ans. 11 (citations omitted); *see also* Final Act. 7–18), we find that the Examiner has not shown where any of such teachings, individually or in combination, demonstrate using a location identifier, e.g., an IP address, to communicate a message to a backend server. We are therefore constrained by the record before us to find that the Examiner erred in rejecting representative claim 11, and claims 1–8, 12–18, and 21 for similar reasons. Since this issue is dispositive regarding our reversal of dependent claims 5 and 15, we need not address Appellants’ separate arguments regarding such claims (App. Br. 22, 26–27).

Accordingly, we reverse the Examiner’s rejection of claims 1–8, 11–18, and 21.

DECISION

We affirm the Examiner’s § 101 rejection of claims 1–8, 11–18, and 21.

We reverse the Examiner’s § 103(a) rejection of claims 1–8, 11–18, and 21.

Because at least one rejection encompassing all claims on appeal is affirmed, the decision of the Examiner 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