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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
14/472,647	08/29/2014	Amy C. Milam	P00741-US-CONT	9706
98665	7590	10/31/2018	EXAMINER	
Otterstedt, Ellenbogen & Kammer, LLP			WONG, ERIC TAK WAI	
P.O. Box 381			ART UNIT	PAPER NUMBER
Cos Cob, CT 06807			3692	
			MAIL DATE	DELIVERY MODE
			10/31/2018	PAPER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte AMY C. MILAM

Appeal 2017-008166
Application 14/472,647
Technology Center 3600

Before MAHSHID D. SAADAT, ROBERT E. NAPPI, and
CATHERINE SHIANG, *Administrative Patent Judges*.

SAADAT, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant¹ seeks our review under 35 U.S.C. § 134(a) of the Examiner's Final Office Action rejecting claims 1–7, which are all the pending claims on appeal. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ The real party in interest is MasterCard International Incorporated. App. Br. 3.

STATEMENT OF THE CASE

Appellant's Specification describes methods and systems for electronic payment. Spec. 1:18–19. Claim 1 is illustrative of Appellant's invention, as reproduced below:

1. A method for facilitating an electronic funds transfer in an electronic funds payment system, said method comprising the steps of:

obtaining, at a computing device of an operator of said electronic funds transfer bill payment system, from an originator, a dropped payment file, said dropped payment file including data associated with at least one unsuccessful attempt to match payment data to said biller;

cleaning, by said computing device, said data in said dropped payment file to create an updated dropped payment file;

applying, by said computing device, matching logic to said updated dropped payment file to identify corrective billing data of said biller;

provisioning said corrective billing data to at least one of said biller and a consolidator of said biller, causing said at least one of said biller and said consolidator of said biller to validate to said computer device said corrective billing data; and

transmitting a client output file over a transmission medium to said originator, advising said originator of said corrective billing data of said biller, wherein said corrective billing data has been validated by said biller.

Examiner's Rejection

Claims 1–7 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to patent-ineligible subject matter. Final Act. 2–6; Ans. 2.

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 has long held that “[l]aws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589 (2013)). “The ‘abstract ideas’ category embodies ‘the longstanding rule that ‘[a]n idea, of itself, is not patentable.’” *Id.* at 2355 (quoting *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)).

In *Alice*, the Supreme Court set forth an analytical “framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012)). The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” such as an abstract idea. *Id.* (citing *Mayo*, 566 U.S. at 77–78).

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.” *Id.* (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.* (alteration 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 post solution activity.” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (citation omitted).

ANALYSIS

The Examiner determines claims 1–7 are directed to ideas that have been identified as abstract by our reviewing court. Final Act. 2–6. In particular, the Examiner finds that the abstract idea underlying these claims is “facilitating a funds transfer, which is a fundamental economic practice and therefore an abstract idea,” which is similar to the economic practices that have been found to be abstract ideas. Final Act. 2–3 (citing *Alice*; *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014); *Content Extraction & Transmission LLC v. Wells Fargo Bank, N.A.*, 776 F.3d 1343 (Fed. Cir. 2014); *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350 (Fed. Cir. 2014); and *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359 (Fed. Cir. 2015)). The Examiner also finds additional elements recited in the claims do not amount to significantly more than the abstract idea itself. Final Act. 3–4. According to the Examiner, the claims require no more than performing generic computer functions. Final Act. 5.

Appellant presents several arguments against the 35 U.S.C. § 101 rejection. App. Br. 6–10. First, Appellant contends the claims are not directed to an abstract idea because the claims are drawn to “analyzing dropped payment files,” instead of the alleged “performing a funds transfer,” and the Examiner has not provided a prima facie case. App. Br.

6. Appellant also contends the claims recite significantly more than an abstract idea because the claims describe a specific way “to identify corrective billing data using an updated dropped payment file, provision this corrective billing data to a biller, causing the biller to validate to the corrective billing data, and transmit a client output file advising an originator of the corrective billing data, so validated” to solve a problem (e.g., dropped payments, arising from an electronic funds transfer). App. Br. 7. Appellant also asserts, similar to the claims in *Bascom Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016), the instant claims recite features that amount to significantly more than a judicial exception. App. Br. 8; Reply Br. 9–10. Appellant also argues claims 1–7 do not attempt to preempt every application of “an electronic funds transfer in an electronic funds payment system” and “a computing device of an operator of said electronic funds transfer bill payment system.” App. Br. 9; Reply Br. 11–12.

We are not persuaded by Appellant’s arguments. Instead, we observe the Examiner has provided a comprehensive response to Appellant’s arguments supported by a preponderance of evidence. Ans. 2–6. As such, we adopt the Examiner’s findings and explanations provided therein. *Id.*; Final Act. 2–6.

Alice Step One

Turning to the first step of the *Alice* inquiry, we agree with the Examiner that Appellant’s claims are directed to an abstract idea of funds transfer in a payment system. Final Act. 3; Ans. 3. All the steps recited in Appellant’s claim 1, including, for example: (i) “obtaining, . . . , a dropped payment file,” (ii) “cleaning, . . . , said data in said dropped payment file to

create an updated dropped payment,” (iii) “applying, . . . , matching logic to said updated dropped payment,” (iv) “provisioning said corrective billing data to at least one of said biller and a consolidator of said biller,” (v) and “transmitting a client output file over a transmission medium to said originator,” are abstract processes of receiving, analyzing, and transmitting data. As stated by the Examiner, these steps provide mechanisms “to improve and/or **automate existing logic** for locating correct biller (many biller profiles may be present in the system for an existing biller)” (Spec. 3:13–15, emphasis added), whereas “the computer is merely being used as a tool to increase efficiency by automating the manual data processing activity.” Ans. 3.

Our reviewing court finds an abstract idea in receiving, analyzing, and transmitting data. *See Elec. Power Grp. LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (“collecting information, analyzing it, and displaying certain results of the collection and analysis” is abstract). *See also Bascom*, 827 F.3d at 1349–52; *cf.* Spec. 42:8–20 (describing the claimed operation “can be implemented, for example, by one or more appropriately programmed general purpose computers, such as, for example, servers or personal computers”); *Cyberfone Sys., LLC v. CNN Interactive Grp., Inc.*, 558 F. App’x 988, 992 (Fed. Cir. 2014) (nonprecedential) (“using categories to organize, store, and transmit information is well-established”). Similarly, all the additional steps executed by claims 2–7 are abstract processes of receiving, analyzing, and transmitting data. Contrary to Appellant’s argument that the Examiner’s analysis is based on an oversimplified interpretation of the claims (App. Br. 7 (citing *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (Fed. Cir. 2016))), the claims in the

present application fail to recite the technical details that describe the alleged technical improvement of computerized building estimation. Instead, the claims merely recite the abstract idea of obtaining a dropped payment file, processing the information in the box, and transmitting the result.

Alice Step Two

Turning to the second step of the *Alice* inquiry, we find nothing in Appellant’s claims that adds anything “significantly more” to transform them into a patent-eligible application of the abstract idea. *Alice*, 134 S. Ct. at 2357. The claimed steps are ordinary steps in data analysis and are recited in an ordinary order.

We are not persuaded by Appellant’s unsupported attorney argument that the claims represent a technical improvement because the claims specify a specific way of funds transfer (e.g., “facilitating an electronic funds transfer *in an electronic funds payment system*”) to solve a problem (e.g., dropped payments). App. Br. 8. Appellant does not persuasively explain how the claims or Specification provide specific, technical improvements. Rather, as the Examiner points out, the addition of a processor, memory, interfaces (i.e., dashboard) do not add meaningful limitations to the abstract idea. Ans. 5. Indeed, the Specification supports the finding that the claimed system is implemented on a general purpose computer. *See* Spec. 42:8–20. Thus, the Specification does not describe the system as made up of special-purpose or specially configured computer components, but rather, as a general-purpose computer that includes generic components. As a result, nothing recited by the claims “offers a meaningful limitation beyond generally linking ‘the use of the [method] to a particular technological

environment,’ that is, implementation via computers.” *Alice*, 134 S. Ct. at 2360 (quoting *Bilski*, 561 U.S. at 610–11).

We are also unpersuaded by Appellant’s argument that the claimed steps of obtaining a dropped payment file including data, cleaning of data, applying matching logic and causing the validation of the data are performed by “a computing device of an operator of said electronic funds transfer bill payment system,” which is believed to be amount to significantly more than a judicial exception, are like those in *Bascom*. See App. Br. 8; Reply Br. 9–10. As discussed above, the Specification describes the claimed systems as implemented on a general purpose computer with a generic database program and processing environment. See Spec. 10:19–29, 42:8–20. The claims’ invocation of computers does not transform the claimed subject matter into patent-eligible applications. *Elec. Power Group*, 830 F.3d at 1355. As in *Electric Power Group*, the claims at issue do not require any nonconventional computer, network, or display components, or even a “non-conventional and non-generic arrangement of known, conventional pieces,” but merely call for performance of the claimed exception processing functions “on a set of generic computer components.” *Bascom*, 827 F.3d at 1349–52.

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.” *Alice*, 134 S. Ct. at 2358; see *id.* at 2359 (concluding claims “simply instruct[ing] the practitioner to implement the abstract idea of intermediated settlement on a generic computer” are not patent-eligible); see also *Ultramercial*, 772 F.3d at 715–16 (claims merely reciting 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); *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333–34 (Fed. Cir. 2012) (“[s]imply adding a ‘computer aided’ limitation to a claim covering an abstract concept, without more, is insufficient to render [a] claim patent eligible”); *Credit Acceptance Corp. v. Westlake Services*, 859 F.3d 1044, 1056 (Fed. Cir. 2017) (generic computer elements did not represent improvement in computer technology but rather were invoked merely as tools, and did not transform the claims into significantly more than claims to abstract idea itself); *Elec. Power Group*, 830 F.3d 1351 (rejection affirmed for a method of performing real-time performance monitoring of an electric power grid because “the claims do not go beyond requiring the collection, analysis, and display of available information in a particular field . . . over conventional computer and network technology”).

Appellant overlooks that “the focus of the claims is not on such an improvement in computers as tools, but on certain independently abstract ideas that use computers as tools.” *Id.* at 1354. In this case, as in *Electric Power Group*, the claims do not even require a new source or type of information. *Id.* at 1355. Given that the claims do not recite an improvement to the technological implementation of the abstract idea, Appellant’s reliance on *Bascom* does not persuade us of error in the Examiner’s finding that the claims do not recite additional limitations

amounting, individually or as an ordered combination, to significantly more than the abstract idea.

Lastly, although Appellant cites to the Board decisions in *PNC Bank v. Secure Access, LLC*, Case CBM2014-00100, 2014 WL 4537440 (PTAB Sept. 9, 2014) (Paper 10) (Reply Br. 7), Appellant does not direct attention to, nor do we find, any statement that requires the Examiner to identify specific references or documentation to support a finding that a claim is directed to an abstract idea. Furthermore, in *PNC Bank*, the panel determined that “[c]laim 1, as a whole, relates to a computer-implemented method to transform data in a particular manner—by inserting an authenticity key to create formatted data, enabling a particular type of computer file to be located and from which an authenticity stamp is retrieved.” *Id.* at 20. Appellant has not persuasively advanced any arguments that demonstrate such a transformation from the language of claim 1.

Preemption

Appellant’s argument that the claims are not directed to an abstract idea because the claims do not preempt every application of some abstract idea and are, therefore, patentable, is also unpersuasive. *See* App. Br. 9. Lack of preemption does not make the claims any less abstract. *See buySAFE*, 765 F.3d at 1355 (collecting cases); *Accenture*, 728 F.3d at 1345; *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (“While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility”). Accordingly, we agree with the Examiner that the claims do not recite an

“inventive concept” sufficient to transform the abstract idea into patent-eligible subject matter.

Novelty

With regard to Appellant’s argument that the pending claims are patent-eligible because there are no obviousness or novelty rejections of the claims, (*see* App. Br. 9–10; Reply Br. 3–5), Appellant improperly conflates the requirements for eligible subject matter (§ 101) with the independent requirements of novelty (§ 102) and non-obviousness (§ 103). “The ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.” *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981); *see also Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1376 (Fed. Cir. 2016) (stating that, “under the *Mayo/Alice* framework, a claim directed to a newly discovered law of nature (or natural phenomenon or abstract idea) cannot rely on the novelty of that discovery for the inventive concept necessary for patent eligibility”).

CONCLUSION

Because Appellant’s claims 1–7 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 under 35 U.S.C. § 101 as being directed to non-statutory subject matter in light of *Alice* and its progeny.

DECISION

We affirm the Examiner’s rejection of claims 1–7.

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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).

AFFIRMED