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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JAMES D. BENNETT

Appeal 2017-008817¹
Application 14/282,181²
Technology Center 3600

Before BIBHU R. MOHANTY, KENNETH G. SCHOPFER, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

MEYERS, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 4–23. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

CLAIMED INVENTION

Appellant’s claims “relate[] generally to credit cards; and, more particularly, to sales transactions conducted by point-of-sale devices” (Spec. 1, ll. 13–14).

¹ Our Decision references Appellant’s Appeal Brief (“Br.,” filed October 3, 2016) and the Examiner’s Answer (“Ans.,” mailed November 21, 2016), and Final Office Action (“Final Act.,” mailed September 1, 2015).

² Appellant identifies Enpulz, LLC as the real party in interest (Br. 2).

Claims 4 and 13 are the independent claims on appeal. Claim 4, reproduced below with minor formatting changes and added bracketed notations, is illustrative of the subject matter on appeal:

4. A proxy card management system for managing a first card associated with a first monetary account and a second card associated with a second monetary account in conjunction with management of a proxy card having no direct monetary account representation, the proxy card management system comprising:

[a] a processing infrastructure configured to implement a proxy card setup system through which a proxy card holder associates the proxy card with both the first card and the second card, the processing infrastructure supporting at least one transaction rule that includes allocating purchases between the first monetary account and the second monetary account;

[b] the processing infrastructure configured to respond to a merchant communication by delivering a first approval code, the merchant communication identifying card data corresponding to the proxy card and purchase related data that includes a purchase amount; and

[c] the processing infrastructure configured to respond to receipt of a missing card indication that identifies the proxy card by disassociating both the first card and the second card from the proxy card without having to cancel either of the first card or the second card.

REJECTIONS

Claims 4–12 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 4 and 13 are rejected under 35 U.S.C. § 112(a) or 35 U.S.C. § 112 (pre-AIA), first paragraph, as failing to comply with the written description requirement.

Claim 4 is rejected under 35 U.S.C. § 112(b) or 35 U.S.C. § 112 (pre-AIA), second paragraph, as being indefinite.

Claims 4–23 are rejected on the ground of non-statutory obviousness-type double patenting.

ANALYSIS

Non-statutory subject matter

Independent claim 4 and dependent claims 5–12

Appellant argues claims 4–12 as a group (*see* Br. 9–14). We select independent claim 4 as representative. Claims 5–12 stand or fall with independent claim 4. *See* 37 C.F.R. § 41.37(c)(1)(iv).

The Supreme Court in *Alice* reiterated the two-step framework, set forth previously in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66, 78–79 (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 Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014). The first step in that analysis is to “determine whether the claims at issue are *directed to* one of those patent-ineligible concepts.” *Id.* (citing *Mayo*, 566 U.S. at 79) (emphasis added). If so, the second step is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether the additional elements “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 566 U.S. at 78–79).

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 Court acknowledged in *Mayo*, that “all inventions at some level embody, use, reflect, rest upon, or apply laws of

nature, natural phenomena, or abstract ideas.” *Mayo*, 566 U.S. at 71. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea, and merely invoke generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).

Appellant argues that the Examiner’s rejection is in error because the Examiner fails to follow the Office guidelines for setting forth a prima facie case of subject matter ineligibility (*see* Br. 9–11). More particularly, Appellant argues that the Examiner improperly characterizes the claims as being “directed to the abstract idea of user management of multiple payment card accounts and user deactivation of an electronic payment card” (Br. 11), and “merely states his opinion as to the nature of present claims without referring to case law precedent in order to identify abstract ideas by way of comparison to concepts already found to be abstract” (Br. 11). Appellant’s arguments are not persuasive.

Here, in rejecting the pending claims under 35 U.S.C. § 101, the Examiner analyzes the claims using the *Mayo/Alice* two-step framework. Specifically, the Examiner looks to the language of the claims and determines that the claims are

directed to user management of multiple payment card accounts as recited in claim [4] by “. . . a proxy card holder associates the proxy card with both the first card and the second card, . . . supporting at least one transaction rule that includes allocating purchases between the first monetary account and the second monetary account;” which is a method of organizing human activity and is similar to abstract ideas identified by the courts in *SmartGene* (comparing new and stored information and using

rules to identify options) and *Cyberfone* (using categories to organize, store and transmit information[]].
(Final Act. 2–3). The Examiner cites judicial decisions and compares the claim to ideas found to be abstract in those decisions (*see* Final Act. 2–3). The Examiner further determines that the additional elements of the claims, taken alone and as an ordered combination, do not ensure that the claims amount to significantly more than the abstract idea (*see* Final Act. 3–4; *see also* Ans. 2–6). The Examiner, thus, has clearly followed the guidelines.³

In this regard, the Examiner has clearly articulated the reasons for the rejection and has notified Appellant of the reasons for the rejection “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” 35 U.S.C. § 132. And we find that, in doing so, the Examiner set forth a prima facie case of unpatentability. *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011); *Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990) (Section 132 “is violated when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.”). Although Appellant cites to the Board decision *Ex parte Renald Poisson*, Appeal 2012-011084 (PTAB Feb. 27, 2015), 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.⁴ We also note that Appellant’s Appeal

³ We further note that the MPEP and guidelines are not legal requirements. *Cf. In re Fisher*, 421 F.3d 1365, 1372 (Fed. Cir. 2005) (“The MPEP and Guidelines ‘are not binding on this court’”).

⁴ We would not be bound, in any event, by a non-precedential decision of the Board.

Brief does not identify any particular deficiency with the Examiner's findings; it only asserts that "the Examiner merely states his opinion as to the nature of present claims without referring to case law precedent in order to identify abstract ideas by way of comparison to concepts already found to be abstract" (*see* Br. 11).

Under the first step of the *Mayo/Alice* framework, the Examiner determines that the claims are directed to "user management of multiple payment card accounts" (Final Act. 2; *see also* Ans. 2). Before determining whether the claims at issue are directed to an abstract idea, we must first determine what the claims are directed to.

The "directed to" inquiry . . . cannot simply ask whether the claims *involve* a patent-ineligible concept, because essentially every routinely patent-eligible claim involving physical products and actions *involves* a law of nature and/or natural phenomenon—after all, they take place in the physical world. *See Mayo*, 132 S. Ct. at 1293 ("For all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas."). Rather, 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." *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015); *see Genetic Techs. Ltd. v. Merial L.L.C.*, [818 F.3d 1369, 1375] (Fed. Cir. 2016) (inquiring into "the focus of the claimed advance over the prior art").

Enfish, 822 F.3d at 1335.

The step-one analysis requires us to consider the claims "in their entirety to ascertain whether their character as a whole is directed to excluded subject matter." *Internet Patents Corp.*, 790 F.3d at 1346. The question is whether the claims as a whole "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).

Here, the preamble of independent claim 4 provides for a system for managing a proxy card configured to allow a proxy card holder to associate the proxy card with both a first card and second card based on at least one transaction rule, deliver information, e.g., approval code, proxy card identifying data, purchase related data, and dissociate the underlying cards from the proxy card based on receiving a missing card indication (*see* Br. 17 (Claims App.)). Other than “processing infrastructure” no other structure is claimed. The Specification describes that “multi-source processing system (MSPS) 113 facilitates financial transactions conducted from a point of sale unit 109 that uses a proxy card 125 associated with a plurality of monetary sources 117, 121 and 123” (Spec. 4:7–9) and “operates like a transaction processing center” (*id.* 9:19–20).

In that context, we agree with and find supported the Examiner’s determination that independent claim 4 is directed to “user management of multiple payment card accounts” (Final Act. 2; *see also* Ans. 2). The abstract idea here is similar to ones our reviewing courts have deemed ineligible in *Alice*, 134 S. Ct. at 2356 (using a third party to mitigate settlement risk), *buySAFE, Inc. v. Google, Inc.*, 765 F. 3d 1350, 1355 (Fed. Cir. 2014) (guaranteeing transactions), *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372–73 (Fed. Cir. 2011) (verifying the validity of credit card transactions over the Internet), and *Smart Systems Innovations, LLC v. Chicago Transit Authority*, 873 F.3d 1364, 1371–72

(Fed. Cir. 2017) (forming and collecting data for financial transactions in a certain field).

Furthermore, as in *Alice*, we need not labor to delimit the precise contours of the “abstract ideas” category in this case. It is enough to recognize that there is no meaningful distinction in the level of abstraction between the concept of an intermediated settlement in *Alice* and the concept of “user management of multiple payment card accounts” (Final Act. 2; *see also* Ans. 2). Both are squarely within the realm of “abstract ideas” as the Court has used that term. *See Alice*, 134 S. Ct. at 2357. Here, independent claim 4, unlike the claims found non-abstract in prior cases, uses generic computer technology (*see, e.g.*, Spec. 4:15–23, 5:1–6, 5:19–24, 8:12–15, 9:10–11, 9:19–20) to associate card information, deliver information, and dissociate card information, and does not recite an improvement to a particular computer technology. *See, e.g., McRO*, 837 F.3d at 1314–15 (determining claims not abstract because they “focused on a specific asserted improvement in computer animation”). Thus, independent claim 4 is directed to a patent-ineligible abstract idea.

We also find unpersuasive Appellant’s argument that independent claim 4 is patent-eligible because

it is directed to a proxy card management system that, by its very nature, is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks – in particular, the problem of electronically servicing a financial transaction by electronically dividing transactions among differing monetary sources via supporting electronic transactions.

(Br. 12–13 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014)). In *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d

1245, 1256 (Fed. Cir. 2014), the Federal Circuit determined that the claims addressed the problem of retaining website visitors who, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be transported instantly away from a host’s website after clicking on an advertisement and activating a hyperlink. *DDR Holdings*, 773 F.3d at 1257. The Federal Circuit, thus, held that the claims were directed to statutory subject matter because they claim a solution “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *Id.* In contrast, even if the problem is machine-oriented, there is no indication here that the claimed invention requires something other than the normal, conventional computer functionality found in a “transaction processing center” (*see* Spec. 9:19–20) to allow a user to manage a proxy card (*see e.g.*, Spec. 10:21–22 “the proxy card 125 provides such mapping information to the POS device or an ATM machine it is inserted in (or used with).”). We note that Appellant does not direct attention to, and we do not see, where the Specification provides for an improvement in the technology or technical functioning of the “processing infrastructure.”

Appellant argues that the current claims are not directed to an abstract idea because they are similar to the claims in *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016) (*see* Br. 6). However, we find the focus of independent claim 4 is not on any technological advancement, but rather on the implementation of the abstract idea, “for which computers are invoked merely as a tool.” *See Enfish*, 822 F.3d at 1336.

In *Enfish*, the court explained, “the first step in the *Alice* inquiry . . . asks whether the focus of the claims is on the specific asserted improvement

in computer capabilities . . . or, instead, on a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Id.* at 1335–36. Here, we find the present claims are plainly of the second category, and the “focus of the claims,” is on “user management of multiple payment card accounts” (Final Act. 2; *see also* Ans. 2). Thus, we find the present claims are not similar to the “self-referential table” in *Enfish*, which was a “specific improvement to the way computers operate” or the “specific asserted improvement in computer animation, i.e., the automatic use of rules of a particular type” held to be not abstract in *McRO*.

We also are not persuaded by Appellant’s argument that the claims are not directed to an abstract idea because “the claims recite features that do would [sic] not tie up every process for such an idea” (Br. 12). Although 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*, 134 S. Ct. at 2354), characterizing pre-emption as a driving concern for patent eligibility is not the same as characterizing pre-emption as the sole test for patent eligibility. “The 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*, 134 S. Ct. at 2354). Although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.*; *cf. OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (“[T]hat 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.”), *cert denied*, 136 S. Ct. 701 (2015).

Turning to the second step of the *Alice* analysis, we are not persuaded by Appellant’s argument that independent claim 4 recites significantly more than this abstract idea because the claim requires “processing infrastructure and operations supported thereby” (Br. 13). In this regard, Appellant does not point to a particular portion of the Specification to show where the Specification discloses any specialized computer hardware or other “inventive” computer components that transforms the abstract idea into patent-eligible subject matter. Nor does Appellant provide adequate evidence or technical reasoning that the claims improve some existing technological process or solves some technological problem in conventional industry practice, such as *in Diamond v. Diehr*, 450 U.S. 175 (1981). *See Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1334 (Fed. Cir. 2015) (finding that the “claims recit[ed] a commonplace business method aimed at processing business information despite being applied on a general purpose computer”), *cert. denied*, 136 S. Ct. 2510 (2016); *see also Alice*, 134 S. Ct. at 2359.

Appellant argues that “the claims of the present application amount to significantly more than an abstract idea” because they include “a specific limitation other than what is well-understood, routine and conventional” (Br. 13). However, Appellant does not direct attention to, and we do not see, where the claims or Specification provide such a limitation. Here, as the Examiner points out, the processing infrastructure/management system recited by independent claim 4 is comprised of “generic devices associated with payment transactions such as a POS system and associated networks for

communicating and processing transactions which are conventional and routine” (Ans. 3). Thus, the individual functions of associating card information, delivering information, and dissociating card information, as recited by independent claim 4 do not supply an inventive concept because they merely require the application of conventional, well-known analytical steps. *See Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014) (“[T]he claimed sequence of steps comprises only ‘conventional steps, specified at a high level of generality,’ which is insufficient to supply an ‘inventive concept.’”) (citing *Alice*, 134 S. Ct. at 2357). There is no indication in the record that any specialized computer hardware or other non-generic computer components are required.

And, considered as an ordered combination, the computer components of Appellant’s independent claim 4 add nothing that is not already present when the limitations are considered separately. Viewed as a whole, Appellant’s claims simply recite to the concept of “user management of multiple payment card accounts” (Final Act. 2; *see also* Ans. 2) as performed by generic “processing infrastructure” a general purpose computer (*see* Ans. 5–6 (citing Figs. 1 and 2)). The claims do not, for example, purport to improve the functioning of the computer itself. Nor do they effect an improvement in any other technology or technical field. Instead, the claims at issue amount to nothing significantly more than an instruction to apply the abstract idea of “user management of multiple payment card accounts” (Final Act. 2; *see also* Ans. 2), which under our precedents, is not enough to transform an abstract idea into a patent-eligible invention. *See Alice*, 134 S. Ct. at 2360.

In view of the foregoing, we sustain the Examiner's rejection under 35 U.S.C. § 101 of independent claim 4, and claims 5–12, which falls with independent claim 4.

Written Description

In rejecting claims 4 and 13 under 35 U.S.C. § 112(a), the Examiner finds that there is no written description support in the Specification for “disassociating the monetary accounts from the proxy card without cancelling or closing the accounts” (Final Act. 8). The Examiner acknowledges that the Specification “discloses deactivating or locking user monetary accounts in the event of a lost proxy card,” but finds the “claim limitations are broader than the [S]pecification allows” (*id.*).

Appellant maintains that the rejection is improper, and asserts

[i]n particular, step 713 of FIG. 7 of the application as filed states “MSPS sends message to all monetary sources through sms/email/other messaging about the lost card.” At pa[ge] 19, lines 7–18, the deactivation process states that the proxy card is temporarily or permanently locked to all relevant monetary sources. This recitation implies that the monetary accounts are not canceled or closed while the monetary accounts are locked with respect to the proxy card.

(Br. 15).

Whether a Specification complies with the written description requirement of 35 U.S.C. § 112, first paragraph, is a question of fact and is assessed on a case-by-case basis. *See, e.g., Purdue Pharma L.P. v. Faulding, Inc.*, 230 F.3d 1320, 1323 (Fed. Cir. 2000) (citing *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1561 (Fed. Cir. 1991)). The disclosure, as originally filed, need not literally describe the claimed subject matter (i.e., using the same terms or *in haec verba*) in order to satisfy the written

description requirement. But the Specification must convey with reasonable clarity to those skilled in the art that, as of the filing date, Appellant was in possession of the claimed invention. *See id.*

Here, the Specification discloses

[a]t block 713, after the authentication, the MSPS sends the information regarding the accounts associated with the lost proxy card that are to be temporarily or permanently locked to all relevant monetary sources. The MSPS determines which of the plurality of monetary sources to be targeted for such a message based on a proxy card to monetary source identification mapping that the MSPS maintains (or has access to). The MSPS sends a lost proxy card message to the targeted monetary sources using one of an SMS message, an email, a lost card transaction message, etc.

(Spec. 18:15–21). Thus, we agree with Appellant that a person of ordinary skill in the art would reasonably understand from the Specification, as originally filed, that the Specification “implies that the monetary accounts are not canceled or closed while the monetary accounts are locked with respect to the proxy card” (Br. 15), and as such, provides support for the argued limitation, as recited by independent claims 4 and 13, at the time the application was filed.

Therefore, we do not sustain the Examiner’s rejection of claims 4 and 13 under 35 U.S.C. § 112(a).

*Indefiniteness*⁵

Appellant does not challenge the Examiner's rejection under 35 U.S.C. § 112(b) (*see* Final Act. 9). Therefore, the indefiniteness rejection is summarily sustained.

Double Patenting

Appellant does not challenge the Examiner's double patenting rejection (*see* Br. 8⁶). Therefore, the double patenting rejection is summarily sustained.

DECISION

The Examiner's rejection of claims 4–12 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejection of claims 4 and 13 under 35 U.S.C. § 112(a) is reversed.

The Examiner's rejection of claim 4 under 35 U.S.C. § 112(b) is summarily affirmed.

The Examiner's rejection of claims 4–23 on the ground of non-statutory obviousness-type double patenting is summarily affirmed.

⁵ We note that neither Appellant nor Examiner addresses the indefiniteness rejection in the Appeal Brief or Answer. However, given there is no indication in the Examiner's Answer that the Examiner intended to withdraw the rejection under 35 U.S.C. § 112(b) found on page 9 of the Final Action, the rejection remains.

⁶ Appellant identifies improperly claims 4, 5, and 13–16 as being rejected. We note, however, that claims 4–23 are rejected under this bases (*see* Final Act. 4–8).

Appeal 2017-008817
Application 14/282,181

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