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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte PATRICK BERNHEIM

Appeal 2017-009040
Application 13/650,677
Technology Center 3600

Before ELENI MANTIS MERCADER, JOHN D. HAMANN, and
JOYCE CRAIG, *Administrative Patent Judges*.

MANTIS MERCADER, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant¹ appeals under 35 U.S.C. § 134 from a rejection of claims
1–18. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ The real party in interest is NagraID S.A. App. Br. 2.

CLAIMED SUBJECT MATTER

The claims are directed to certification of origin of a consumer good wherein a point of entry terminal is configured to extract or capture an identification number that is subsequently verified via a bank network.

Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A system of certification of origin of a product, the system comprising a bank payment network, a point of entry terminal, an element of the bank payment network and a verification element, wherein

the element of the bank payment network is configured to issue an authentication medium to be sent to the point of entry terminal, the authentication medium containing an identification number, the format of which is compatible with that accepted by the bank payment network;

the point of entry terminal is configured to extract or capture the identification number from the authentication medium at the time of a request for certification of origin of a product, and to transmit the request for certification of origin with the identification number to the bank payment network;

the verification element is configured to keep in a memory the identification number issued by the element of the bank payment network or a reference to this identification number, to receive the identification number or a reference to this identification number linked to the request for certification of origin, and to verify the origin of the product the certification of origin of which has been requested by verifying whether the identification number or the reference to this identification number received, which is linked to the request for certification of origin, is located in the memory.

REFERENCES

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

Tycksen	US 5,898,777	Apr. 27, 1999
Veseli	US 8,818,874 B2	Aug. 26, 2014

REJECTIONS

Claims 1–18 stand rejected under 35 U.S.C. § 101 as being directed to patent ineligible subject matter in that the claims are directed to an abstract idea and do not amount to significantly more.

Claims 1–18 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Veseli in view of Tycksen.

OPINION

We adopt the Examiner’s findings in the Answer and Final Action and we add the following primarily for emphasis. We note that if Appellant fails to present arguments on a particular rejection, we will not unilaterally review those uncontested aspects of the rejection. *See Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential); *Hyatt v. Dudas*, 551 F.3d 1307, 1313–14 (Fed. Cir. 2008) (The Board may treat arguments Appellant failed to make for a given ground of rejection as waived).

Claims 1–18 rejected under 35 U.S.C. § 101

Appellant argues that the Examiner’s characterization of the claimed subject matter as product origin certification, which is a fundamental economic practice, is an undue generalization. App. Br. 7–8. In particular Appellant argues that the Federal Circuit held that “describing the claims at such a high level of abstraction and untethered from the language of the claims all but ensures that the exceptions to § 101 swallow the rule.” App. Br. 8, citing *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1337 (Fed. Cir. 2016). Appellant further cites to *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (Fed. Cir. 2016), in which the Federal Circuit again admonished “oversimplifying the claims by looking at them generally and failing to account for the specific requirements of the claims.” *Id.* at

1313. In particular, Appellant argues that the Examiner's characterization of the claims is at such a high level of abstraction, it ignores each of the following specific structural and stepwise features that render the claim more than the mere certification of the origin of a product:

- issuing an authentication medium
- the authentication medium having an identification number compatible with that accepted by bank payment networks
- extracting or capturing the identification number from the authentication medium at a point of entry terminal
- extracting or capturing the ID number at the time of a request for certification of origin of a product
- transmitting the certification request with the ID number over the bank payment network
- storing the ID number (or a reference to it) in memory
- verifying the origin of the product by verifying whether the transmitted ID number (or the reference to it) is stored.

App. Br. 8.

Appellant argues that when considering each of these elements the claims are directed to the organization of a system of tangible elements (e.g., authentication medium, point of entry terminal, bank payment network, and memory) and their interrelated operations (extraction, transmission, storage, and processing of particular types of data). App. Br. 9, citing to non-Precedential Board Decision *Ex parte Wegman 111*, Appeal No. 2013-008168 (PTAB 2015), 6.

Appellant further argues that the claims amount to “significantly more” because the Board has found patent eligible claims directed to distributing coupons at a point of sale by a retailer for the purpose of enhancing revenue. App. Br. 10, citing to non-Precedential Decision of *Ex parte Barous*, Appeal No. 2016-003320 (PTAB 2016). In *Barous*, the PTAB held that the claims comprised “significantly more” because the

Appeal 2017-009040
Application 13/650,677

claims “‘are not directed to the ‘abstract idea’ as defined by the Examiner, which is quite broad, but to much more limited systems and methods.”

App. Br. 10–11, citing *Barous* at 8. The claims included an unconventional use of a point of sale register, tied the limitations to a particular machine, and stated how the machine was configured. App. Br. 11, citing *Barous* at 7 and *also see* App. Br. 11–12.

Appellant further cites *Bascom Global Internet Services, Inc. v. AT&T Mobility LLC* wherein the Court held that “an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces.” App. Br. 13, citing *Bascom*, 827 F.3d 1341, 1350 (Fed. Cir. 2016). Appellant argues that similarly, in *Bascom*, Appellant did not argue any of the particularly claimed elements are inventive, but rather their new arrangement and use. *Id.* Appellant asserts that the current claims are no different in that they provide a new use and arrangement of a bank payment network, point of entry terminal and authentication medium that certifies a product origin. *Id.*

Appellant further argues that claim 18 is in a means-plus-function format and must be construed as applying the alleged idea on a particular machine which would be “significantly more” than the alleged abstract idea. App. Br. 16.

We do not agree with Appellant’s argument. In determining whether a claim falls within the excluded category of abstract ideas, we are guided in our analysis by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–78 (2012)). We must first determine whether claim 1 is “directed to” an abstract idea. We agree with the Examiner’s finding that

Appeal 2017-009040
Application 13/650,677

the current claims are similar to *FairWarning v. Iatric*, found to be patent-ineligible, because in *FairWarning*, data stored in a file was accessed and examined according to certain rules to determine if there was an occurrence of unauthorized access to an account. Ans. 5 referring to *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089 (Fed. Cir. 2016). The Examiner finds, and we agree, that the current claims recite accessing item data stored in a file and comparing the stored data with received data according to certain rules to determine if an item is authentic. *Id.* As with the *FairWarning* case, the claims are directed to an abstract idea and the other features are not considered to be unique or unconventional in any way and do not constitute improvements to another technology, another technical field, or to the computer itself. Ans. 5–6.

Therefore, because claim 1 is “directed to” an abstract idea, we next consider the additional elements of the claim—both individually and as an ordered combination—to assess whether the elements transform the nature of the claim into a patent-eligible application of the abstract idea as required by step two of *Alice*. *Alice*, 134 S. Ct. at 2355. This is a search for an “inventive concept”—an element or combination of elements sufficient to ensure that the claim amounts to “significantly more” than the abstract idea itself. *Id.* “[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea . . . on a generic computer.” *Id.* at 2359. We conclude that they do not. We agree with the Examiner’s finding that the computer or the peripheral tangible objects, such as the terminal or authentication medium, are not used other than as a tool to carry out the steps of the abstract idea. *See* Ans. 4.

Similarly, with respect to claim 18, we agree with the Examiner’s findings that nothing in the Specification indicates a specially programmed

computer or tangible objects used in a way that should be deemed significantly more. *See* Ans. 4–5.

Lastly, Appellant’s assertion regarding pre-emption (App. Br. 11) is unpersuasive, because “[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility. . . . Where a patent’s claims are deemed only to disclose patent ineligible subject matter under the Mayo framework, as they are in this case, preemption concerns are fully addressed and made moot.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015); *see also OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (holding “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”).

Accordingly, we affirm the Examiner’s rejection of independent claims 1, 17 (grouped by Appellant with claim 1), and 18 and for the same reasons the rejections of claims 2–16.

Claims 1–18 rejected under 35 U.S.C. § 103(a)

Appellant argues that the combination of Veseli and Tycksen fails to teach transmitting an identification number extracted from an authentication medium via a bank payment network. App. Br. 17–22.

We are not persuaded by Appellant’s argument. We agree with the Examiner’s finding that Veseli teaches certifying the origin of a product (Abstract) including a point of entry terminal to capture the identification number at the time of request for certification of origin and transmit a request with an identification number at a point-of-sale terminal for a database comparison to determine authenticity of the product (col. 1, ll. 16–19, col. 5 ll. 6–20, col. 7 ll. 1–10, Fig. 2, identification data of item is entered

into a point-of-sale device and an authentication request is transmitted with ID data to authentication platform). *See* Non-Final Act. 4–5. We further agree with the Examiner that Veseli teaches an element to keep in memory the issued identification number, receive a request for certification of origin, and verify the origin of the product by determining if the identification number received in the request is stored in the memory (col. 2 line 13–33, col. 5 line 6–20, item is registered in authentication platform by storing identification data, after request for authentication is received the identification data of the item for sale is compared to the identification data stored in the authentication platform, and the item is determined to be authentic if the identification data match). *Id.*

The Examiner relies on Tycksen for the express teaching of performing a transaction which utilizes a bank payment network (*see* Abstract), wherein the bank payment network provides the user with enhanced security, privacy, and convenience compared to other networks, such as the Internet (col. 7, l. 65–col. 8, l. 2, col. 10, l. 50–53, using bank network provides enhanced privacy and security). Non-Final Act. 5. The Examiner relies on Tycksen’s motivation for extra security using a bank network for combining the references. *Id.*

Thus, we do not agree with Appellant that the combination does not teach or suggest transmitting an identification number extracted from an authentication medium via a bank payment network.

Accordingly, we affirm the Examiner’s § 103(a) rejection of claims 1–18.

DECISION

The Examiner’s rejections of claims 1–18 are affirmed.

Appeal 2017-009040
Application 13/650,677

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