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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* RANDY SMITH, EARL HORNBOSTEL,  
STEVE VALENZUELA, and RYAN YOUNG

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Appeal 2017-009050  
Application 14/108,159  
Technology Center 3600

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Before ROBERT E. NAPPI, ELENI MANTIS MERCADER, and  
JASON M. REPKO, *Administrative Patent Judges*.

REPKO, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's rejection of claims 1–20.<sup>1</sup> Br. 1.<sup>2</sup> We have jurisdiction under 35 U.S.C. § 6(b). We reverse.

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<sup>1</sup> According to Appellants, the real party in interest is Payme Inc. Br. 1.

<sup>2</sup> Throughout this opinion, we refer to the Final Rejection (“Final Act.”) mailed July 22, 2016; the Appeal Brief (“Br.”) filed December 29, 2016; and the Examiner’s Answer (“Ans.”) mailed March 21, 2017.

## THE INVENTION

Appellants' invention relates to a mobile application that provides a visual representation of merchants to a consumer. Abstract.

Claim 1 is reproduced below:

1. A method, comprising:

performing a transaction on a mobile device with a merchant point of sale system, such that a mobile application is running on the mobile device for retrieving a first entity list comprising a first set of one or more merchant entities located about a consumer entity using a location based service of the mobile device;

the mobile application retrieving a second entity list comprising a second set of one or more merchant entities located proximate to the consumer entity using a location based service of the mobile device, wherein the second entity list is different from the first entity list;

the mobile application generating a third entity list for display on the mobile device from the first and second entity lists in accordance with one or more predetermined criteria, wherein generating the third entity list is performed by the mobile application; and

the mobile application displaying, on the mobile device, an indicator representing each merchant entity included in the third entity list generated by first and second entity lists, and indicating location relative to the consumer entity in an abstract visual manner, such that a consumer may utilize the mobile application to access an automated teller machine with the merchant entities listed on the third entity list so that a consumer financial transaction is performed at a point of sale and entered into the mobile application to link the consumer and the merchant;

wherein the predetermined criteria comprises distance from the mobile device and one or more of: distance; time; date; interest; or modalities.

## THE REJECTION

Claims 1–20 stand rejected under 35 U.S.C. § 101 as directed to patent-ineligible subject matter. Final Act. 3–11.

## ANALYSIS

The Supreme Court’s two-step framework guides our analysis. *See Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014). In *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. *Id.* If so, we consider the claim limitations “both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application” in *Alice* step two. *Id.* (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 78–79 (2012)). The Supreme Court has described the analysis in step two “as a search for an ‘inventive concept.’” *Id.*

The Examiner rejects claims 1–20 under 35 U.S.C. § 101 because the claims are directed to an “abstract idea” and lack an inventive concept. Final Act. 3–11. The Examiner finds that “[t]he claimed invention is a concept of and relates to a process of comparing information (first and second entity lists) and using rules (predetermined criteria) to identify options (generating third entity list).” *Id.* at 6–7. The Examiner finds that the claims are analogous to “comparing new and stored information and using rules to identify options” in *SmartGene, Inc. v. Advanced Biological Laboratories, SA*, 555 F. App’x. 950 (Fed. Cir. 2014) (non-precedential). *Id.* Under *Alice* step one, the Examiner concludes that the claims are directed to “an idea of itself.” *Id.* at 7.

Under *Alice* step two, the Examiner explains that claim 1 recites “additional limitations,” identifies these limitations with a bold font, and labels them as steps A through C. *Id.* at 7–8. We reproduce the Examiner’s annotations below:

performing a transaction **on a mobile device with a merchant point of sale system, such that a mobile application is running on the mobile device** for . . . retrieving a first entity list comprising a first set **of one or more** merchant entities located about a consumer entity using a location based service of the mobile device; (Step A)<sup>3</sup>

**the mobile application** retrieving a second entity list comprising a second set of one or more merchant entities located proximate to the consumer entity **using a location based service of the mobile device, wherein the second entity list is different from the first entity list;** (Step A)

**the mobile application** generating a third entity list for display on the mobile device from the first and second entity lists in accordance with one or more predetermined criteria, **wherein generating the third entity list is performed by the mobile application;** and (Step B)

**the mobile application** displaying, **on the mobile device, an indicator representing each merchant entity included** in the third entity list **generated by first and second entity lists, and indicating location** relative to the consumer entity **in an abstract visual manner**, such that a consumer may utilize the mobile application to access an automated teller machine **with the merchant entities listed on the third entity list so that** a consumer financial transaction is performed **at a point of sale and entered into the mobile application to link the consumer and the merchant;** (Step C)

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<sup>3</sup> The Examiner’s quotation of the claim includes the term “phone,” which Appellants removed from the claim in the amendment dated June 3, 2016.

**wherein the predetermined criteria comprises distance from the mobile device and one or more of: distance; time; date; interest; or modalities. (Step C)**

*Id.*

The Examiner finds that Step A is insignificant data gathering, Step B is a data-processing step to generate the third list from the other two, and Step C is a post-solution step for displaying the results of step B. *Id.* at 8. The Examiner then finds that claim 1 is nothing more than an instruction to implement the abstract idea in a “well-understood, routine and conventional technological environment.” *Id.*; *see also* Ans. 8.

Appellants argue that the recited computer functions are not well-understood, routine, and conventional activities previously known to the industry. Br. 12. Appellants argue that the Examiner improperly over-generalizes the additional limitations in applying *Alice* step two. *Id.* Appellants argue that the claims describe a specific and discrete implementation for providing notifications by filtering the content. *Id.* at 13. According to Appellants, the claims involve a technology-based solution. *Id.*

Even assuming, without deciding, that claim 1 is directed to an abstract idea, claim 1 does more than “call on a ‘computing device,’ with basic functionality for comparing stored and input data and rules, to do” what people routinely do. *SmartGene*, 555 F. App’x at 954, *cited in* Final Act. 6–7. Instead, claim 1 involves displaying a particular collection of graphical elements that impart a specific functionality to assist the consumer. To be sure, those elements are displayed by processing the data structures in Steps A and B. But “[m]uch of the advancement made in computer technology consists of improvements to software that, by their

very nature, may not be defined by particular physical features but rather by logical structures and processes.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1339 (Fed. Cir. 2016). We agree that, in analyzing the claims in *Alice* step two, the Examiner has over-generalized the recited logical structures and processes. *See* Br. 12.

Specifically, the Examiner identifies several limitations for analysis under *Alice* step two: generating a third entity list based on two different lists using a device’s location-based service, displaying a specific graphical user interface with indicators, among others. Final Act. 7–8. The Examiner finds that these features are well-understood, routine, and conventional. *Id.* at 8. “Whether something is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a factual determination.” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1369 (Fed. Cir. 2018). But here, the Examiner has not adequately supported this determination. Final Act. 7–8; Ans. 8.

For example, the Examiner does not cite to the Specification or Appellants’ statements to show that generating the third list based on the predetermined criteria or the displayed indicators were known. *See* Final Act. 8. Nor does the Examiner cite a publication or court decision. *See id.* Instead, the Examiner describes these limitations in a way that omits specific features of the claimed data processing and display (e.g., filtering and displaying specific indicators) that Appellants regard as the purported advance. *See* Br. 12–13. Because the Examiner has not adequately supported the conclusion that the identified additional steps (Final Act. 7–8; Ans. 8) were well-understood, routine, and conventional, we reverse the Examiner’s rejection of claim 1.

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The remaining claims were rejected under the same rationale. *See* Final Act. 3–11. Because we do not sustain the Examiner’s rejection of claim 1 as being directed to ineligible subject matter, we also do not sustain the rejection of independent claims 9 and 15, which recite similar limitations, and dependent claims 2–8, 10–14, and 16–20 for the same reasons.

DECISION

We reverse the Examiner’s decision to reject claim 1–20.

REVERSED