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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte VOLKER NEUWIRTH

Appeal 2017-009225
Application 14/212,783¹
Technology Center 3600

Before MARC S. HOFF, JENNIFER S. BISK and CARL L. SILVERMAN,
Administrative Patent Judges.

HOFF, *Administrative Patent Judge.*

DECISION ON REQUEST FOR REHEARING

INTRODUCTION

Appellant filed a Request for Rehearing, June 4, 2019, pursuant to 37 CFR § 41.52, seeking reconsideration of our Decision on Appeal mailed April 4, 2019, in which we affirmed the rejection of claims 1–20. We have jurisdiction over the Request under 35 U.S.C. § 6(b).

PRINCIPLES OF LAW

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101.

¹ Appellant identifies the real party in interest as Zukunftware, LLC. Appeal Br. 2.

However, the Supreme Court has long interpreted 35 U.S.C. § 101 to include implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014).

In determining whether a claim falls within an excluded category, we are guided by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). In accordance with that framework, we first determine what concept the claim is “directed to.” *See Alice*, 573 U.S. at 219 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *see also Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”).

Concepts determined to be abstract ideas, and thus patent ineligible, include certain methods of organizing human activity, such as fundamental economic practices (*Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 69 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as “molding rubber products” (*Diamond v. Diehr*, 450 U.S. 175, 192 (1981)); “tanning, dyeing, making waterproof cloth, vulcanizing India rubber, smelting ores” (*id.* at 184 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1854))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

In *Diehr*, the claim at issue recited a mathematical formula, but the Supreme Court held that “[a] claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula.” *Diehr*, 450 at 176, 192 (“We view respondents’ claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula.”). Having said that, the Supreme Court also indicated that a claim “seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, [and] this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment.” *Id.* (citing *Benson* and *Flook*), and 187 (“It is now commonplace that an *application* of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.”).

If the claim is “directed to” an abstract idea, we turn to the second step of the *Alice* and *Mayo* framework, where “we must examine the elements of the claim to determine whether it contains an ‘inventive concept’ sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.” *Alice*, 573 U.S. at 221 (quotation marks omitted). “A claim that recites an abstract idea must include ‘additional features’ to ensure ‘that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].’” *Id.* (quoting *Mayo*, 566 U.S. at 77). “[M]erely requir[ing] generic computer implementation[] fail[s] to transform that abstract idea into a patent-eligible invention.” *Id.*

The PTO recently published revised guidance on the application of § 101. USPTO’s January 7, 2019 Memorandum, *2019 Revised Patent*

Subject Matter Eligibility Guidance (“Memorandum”). 84 Fed. Reg. 50.

Under that guidance, we first look to whether the claim recites:

- (1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human activity such as a fundamental economic practice, or mental processes); and
- (2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)).

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look to whether the claim:

- (3) adds a specific limitation beyond the judicial exception that are not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or
- (4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

See Memorandum.

ANALYSIS

We note that a Request for Rehearing “must state with particularity the points believed to have been misapprehended or overlooked by the Board.” *See* 37 C.F.R. § 41.52(a)(1). A Request for Rehearing is not an opportunity to rehash arguments raised in the Briefs. Neither is it an opportunity to merely express disagreement with a decision without setting

forth points believed to have been misapprehended or overlooked. Arguments not raised in the Briefs before the Board and evidence not previously relied on in the briefs also are not permitted except in the limited circumstances set forth in § 41.52(a)(2) through (a)(4). *Id.*

REJECTION UNDER 35 U.S.C. § 101

Appellant's argument that the Board's purported broadest reasonable interpretation of the invention is "extremely inadequate" and "ignores the majority of the claim language" is not persuasive. Req. Reh'g 18. The Board considered the entirety of representative independent claim 1 in rendering a decision on subject matter eligibility. Dec. 8–9. In the interest of clarity, we expand herein our § 101 analysis of the claimed invention.

DO THE CLAIMS RECITE AN ABSTRACT IDEA?

Representative claim 1 is reproduced below. We explicitly identify, in italics, the steps considered to recite the abstract idea.

1. In a server computing system, *a method for enabling a merchant computing system to obtain user input from a user*, the method comprising:

providing, by the server computing system, an interface to the merchant computing system, the interface configured to receive communications from an application executing on the merchant computing system, the server computing system comprising memory that stores computer executable instructions defining the interface and a processor that executes the computer executable instructions to provide the interface;

receiving, via the interface, one or more first communications sent over the internet by the application executing on the merchant computing system, the one or more first communications including:

- (1) *a request to obtain user input to serve as authorization for the merchant computing system to perform a transaction to an account of the user,*
- (2) *contact information for the user,*

(3) *information representing the transaction, and*
(4) *a document to be presented to the user, the document representing an agreement that the user has made or will make; extracting the contact information, the information representing the transaction, and the document from the one or more first communications;*
generating a first webpage that includes the document;
generating a second webpage that includes an input area for receiving the user input;
formatting the second webpage to include the information representing the transaction that was provided in the one or more first communications;
transmitting a second communication over a network to a client computing device associated with the user based on the contact information that was provided in the one or more first communications, the second communication including a link that the user can select to cause the first or second webpages to be displayed;
transmitting the first and second webpages to the client computing device such that the first and second webpages are displayed to the user to allow the user to review the document and provide the user input into the input area;
in response to the user providing the user input, receiving one or more third communications that include the user input, the user input comprising an authorization for performance of the agreement; and
sending the user input to the merchant computing system to enable the merchant computing system to associate the user input with the account for the user on the merchant computing system such that the user input can serve as authorization from the user to cause the performance of the agreement authorized by the user input.

As we stated in the Decision, the claims recite presenting information to a user and obtaining “user input” in response to the presented information — to wit, obtaining authorization for a purchase or other legal agreement to be entered into by a user. Dec. 9. We regard this claimed concept, of

obtaining written authorization for a purchase or other legal agreement, as constituting a method of organizing human activity found by the courts to constitute patent-ineligible subject matter. *Id.*

The representative claim recites enabling a merchant computing system to obtain user input from a user, in which a server computing system provides an interface to a merchant computing system. Subsequently the server receives certain communications from the merchant. The specific communications concern data (“information”) pertinent to the contract or legal agreement at issue, and a contract or other legal document to be presented to a user.

The received information and document are extracted and then re-presented in the form of webpages which are presented to a client computing device so that a user may view them, review the document that is presented, and supply user input (“authorization for performance of the agreement”). The user input is then sent to the merchant computing system, which associates the user input with the user’s account, such that the user input can serve as authorization for the contract or other legal agreement.

Appellant’s claimed invention thus recites a plurality of steps, each briefly noted *supra*, that constitute gathering data from a computing system, presenting that data to a user, gathering further data (“authorization for performance of the agreement”) from that user, and associating that data with a user’s account in order to confirm the user’s authorization of the agreement.

We maintain our conclusion that the claimed obtention of authorization for such an agreement is analogous to commercial or legal interactions, including agreements in the form of contract, and entering into

legal obligations, that the courts have found to be patent-ineligible.² Dec. 9–10. Such commercial or legal interactions constitute one of certain methods of organizing human activity identified in the Memorandum. 84 Fed. Reg. 52. Pursuant to the Memorandum, we maintain our conclusion that the claims recite an abstract idea.

Appellant presents argument on rehearing concerning certain technical aspects of the claimed communications: that the merchant computing system never communicates with the client computing device. (Req. Reh’g 18); how the merchant computing system communicates with the server computing system (Req. Reh’g 19); the functionality that the server computing system performs in response to the merchant computing system’s communications (Req. Reh’g 21); how the server computing system communicates with the client computing device (Req. Reh’g 22). The Board considered each of the limitations of the claimed invention. We maintain our conclusion from the Decision that the claimed invention nevertheless recites the abstract idea (in summary) of gathering data,

² See, e.g., *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (holding that concept of “creating a contractual relationship—a ‘transaction performance guaranty’” is an abstract idea); *In re Comiskey*, 554 F.3d 967, 981 (Fed. Cir. 2009) (claims directed to “resolving a legal dispute between two parties by the decision of a human arbitrator” are ineligible); *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed Cir. 2014) (holding that claim “describe[ing] only the abstract idea of showing an advertisement before delivering free content” is patent ineligible); *In re Ferguson*, 558 F.3d 1359, 1364 (Fed Cir. 2009) (holding methods “directed to organizing business or legal relationships in the structuring of a sales force (or marketing company)” to be ineligible); *Credit Acceptance*, 859 F.3d 1044 at 1054 (“The Board determined that the claims are directed to the abstract idea of ‘processing an application for financing a purchase.’[] We agree.”).

presenting data to a user, receiving user input (“agreement”) in response, and associating that user input with the user’s account. The technical aspects discussed by Appellant constitute means for applying the expressed abstract idea, previously known to be implemented manually (on paper), to a computer environment through the employment of generically disclosed computer components. Dec. 12.

We have further considered Appellant’s argument on rehearing that the board must have misunderstood that the claimed invention is “significantly more than obtaining user authorization.” Req. Reh’g 25. We have considered Appellant’s explanation of the Specification’s description of the various functions of server system 101, merchant system 102, and client system 103. Req. Reh’g 25–27. We nevertheless maintain our conclusion that the disclosed and claimed invention does not amount to more than the established, ‘manual’ process of obtaining user authorization, adapted to generic computer components.” Dec. 12.

We maintain our conclusion that the invention recites an abstract idea.

INTEGRATION INTO A PRACTICAL APPLICATION

Appellant argues that the Board did not consider the claims as a whole, nor consider what the claims actually recite, in concluding that the recited abstract idea of gathering data, presenting data to a user, and receiving user input from the user in response to the presented data is not integrated into a practical application. Req. Reh’g 29–39.

The Memorandum provides exemplary considerations that are indicative that an additional element may have integrated the exception (i.e., the abstract idea recited in the claim) into a practical application:

- (i) an improvement to the functioning of a computer;
- (ii) an improvement to another technology or technical field;
- (iii) an application of the abstract idea with, or by use of, a particular machine;
- (iv) a transformation or reduction of a particular article to a different state or thing; or
- (v) other meaningful limitations beyond generally linking the use of the abstract idea to a particular technological environment.

See Memorandum, 84 FR 55; *see also* MPEP §§ 2106.05(a)–(c), (e)–(h).

Appellant’s Request does not appear to make a specific argument that the claimed invention includes an additional element that improves the functioning of a computer. We maintain our conclusion in the Decision that Appellant does not identify disclosure of a claimed specific process that would constitute improvement to the functioning of a computer. Dec. 12. Appellant further argued in the Appeal Brief that a series of steps in the claimed invention “define[d] a process by which the server generates and links together two types of network communications (the second communication and the webpages) so that the user will ultimately be able to provide user input in a simple manner. . . . [T]he actual claimed process consists of an ordered combination of steps defining a unique way in which the server can facilitate the receipt of the user input.” Appeal Br. 16–17. We find that an improvement in the manner that the server can facilitate the receipt of user input constitutes an advance in the underlying abstract idea of presenting information to a user and receiving user input (“agreement”) in response. The abstract idea itself cannot provide a practical application of the abstract idea. *Cf. Trading Techs. Int’l, Inc. v. IBG LLC*, 921 F.3d 1084, 1093 (Fed. Cir. 2019) (“The abstract idea itself cannot supply the inventive

concept, ‘no matter how groundbreaking the advance.’”) (quoting *SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1170 (Fed. Cir. 2018)).

Appellant’s Request, and the Appeal Brief, do not appear to present specific argument that the claimed invention recites an additional element that improves another technology or technical field.

Appellant’s Request, and the Appeal Brief, do not appear to present specific argument that the claimed invention recites an additional element that applies the abstract idea with, or by use of, a particular machine.

Appellant’s Request, and the Appeal Brief, do not appear to present specific argument that the claimed invention recites an additional element that transforms a particular article to a different state or thing.

On the contrary, we maintain our conclusion in the Decision that the claimed invention generally links user of the abstract idea to a particular technological environment. As we stated in the Decision, Appellant does not establish that the disclosed and claimed invention amounts to more than the established, manual process of obtaining user authorization, adapted to generic computer components. Dec. 12.

We maintain our conclusion that several claim limitations, including: (1) generating a first webpage that includes the document; (2) generating a second webpage that includes information representing the transaction; and (3) transmitting said first webpage, said second webpage, and a second communication to a client computing device such that the first and second webpages are caused to be displayed, are claim limitations that constitute insignificant extra-solution activity, specifically, data gathering steps. Dec. 12–13; *see also* MPEP 2106.05(g). As we stated in the Decision, Appellant does not explain why the combination of steps that “define[] a process by

which the server generates and links together two different types of network communications . . . so that the user will ultimately be able to provide user input” defines “a unique way in which the serve can facilitate the receipt of user input.” Dec. 13.

We maintain our conclusion that the claimed invention does not recite additional elements that integrate the recited abstract idea into a practical application.

INVENTIVE CONCEPT

The last step in evaluating subject matter eligibility is to determine whether the claims express an inventive concept, i.e., whether any additional claim elements “‘transform the nature of the claim’ into a patent-eligible application.” *Alice*, 573 U.S. at 217 (quoting *Mayo*, 566 U.S. at 78, 79). This requires us to evaluate whether the additional claim elements add “a specific limitation or combination of limitations that are not well-understood, routine, and conventional activity in the field” or “simply append[] well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality.” Memorandum, 84 Fed. Reg. 50, 56.

Appellant asserts on rehearing that the Board did not analyze whether the configuration and interaction of merchant, server, and client computing system could be unconventional. Req. Reh’g 39. Appellant does not present specific argument on rehearing as to points misapprehended or overlooked in the Decision regarding the well-understood, routine, and conventional nature of these elements. Appellant presented arguments in the Brief that the claims “define a process by which the server generates and links together two different types of network communications . . . so that the user will

ultimately be able to provide user input in a simple manner.” Appeal Br. 16. As we discussed *supra*, we find that these limitations constitute an improvement to the abstract idea of presenting information to a user and receiving user input. We find that these claim limitations do not constitute additional elements beyond the abstract idea that are not well-understood, routine, or conventional activity in the field. We maintain our finding in the Decision that Appellant disclose and claim generic computer components used conventionally, as a tool to implement the abstract idea of obtaining authorization from a user. Dec. 13–14; *see also* Spec. ¶¶ 41, 42, and 43.

We maintain our decision that the claims do not recite additional elements, not well-understood, routine, or conventional, beyond the recited abstract idea.

HYPOTHETICAL CLAIM

We have considered Appellant’s arguments that we misapprehended or misunderstood Appellant’s remarks concerning a hypothetical patent-eligible claim. Req. Reh’g 41. We are not persuaded by Appellant’s arguments on rehearing. It is evident from our Decision that we considered Appellant’s arguments in full. We maintain our conclusion that the outcome in CBM2014-00170, from which the hypothetical claims are based, is not controlling authority with respect to this proceeding. We maintain our further conclusion that the patent eligibility of that hypothetical claim was based on reasons not having to do with the subject matter of the claimed invention: “primarily based on how the information is disseminated . . . the Board found it significant that the patent addressed a way to disseminate information to a user’s computing device when the device is not online.” Dec. 15; *see also* CBM2014-00170, Paper 13. Accordingly, we maintain our

conclusion that the hypothetical patent-eligible claim discussed in the Brief does not suggest error by the Examiner or by the Board with respect to the invention claimed herein.

DUE PROCESS

Appellant's arguments on rehearing that the board did not address the merits of its due process argument amounts to a re-argument that Appellant is dissatisfied with the Board's subject matter eligibility analysis. Req. Reh'g 43–44. Accordingly, we maintain our position in the Decision that Appellant's due process arguments lack factual support and are unpersuasive of error.

PREEMPTION

Appellant argues that the Board overlooked the Appeal Brief's arguments concerning lack of preemption. Req. Reh'g 44. The board noted and responded to Appellant's preemption argument in the Decision. Dec. 15–16; *see also* Appeal Br. 12. The board implied, without stating explicitly, that we agree with the Appellant that the claims does not pre-empt all possible ways of obtaining authorization input from a user. That we agree does not, per *Ariosa Diagnostics*, demonstrate that the claims under appeal are patent-eligible.

Thus, in summary, we maintain our decision to reject claims 1–20 under 35 U.S.C. § 101.

PRIOR ART REJECTIONS

On rehearing, we are persuaded by Appellant's argument that we misapprehended the interconnection between merchant computing system,

server computing system, and client computing device recited in the claimed invention.

We agree with Appellant that the disclosed and claimed invention requires that the merchant computing system, rather than the client computing device, sends the claimed first communication with the recited information to the server computing system. Req. Reh'g 45. "Merchant computing system 102 represents one or more servers or other computing devices that a merchant uses to send requests to server system 101 over network 104." Spec. ¶ 42. "Server system 101 represents one or more computing devices used to receive requests from merchant computing system 102, and to send requests for signatures to client computing device 103." Spec. ¶ 43. "[S]erver system 101 acts as an intermediary between merchant computing system 102 and client computing device 103 for requesting and obtaining a signature." Spec. ¶ 44.

We agree with Appellant's argument on rehearing that we misapprehended the claim requirement that "[i]n a server computing system," the server receives, "via the interface, one or more first communications sent over the internet by the application executing on the merchant computing system," including the four enumerated items recited in representative of claim 1. We agree with Appellant that the claimed invention calls for "[i]n a server computing system," "transmitting a second communication over a network to a client computing device associated with the user based on the contact information that was provided," and "transmitting the first and second webpages to the client computing devices." Appeal Br. 9. We agree with Appellant that Loomis does not teach the server communicating directly with the consumer. Req. Reh'g. 49.

Therefore, we agree with Appellant that the combination of Ritchie and Loomis fails to teach or suggest all the limitations of representative claim 1. Accordingly, we modify our decision, in that we do not sustain the Examiner's § 103(a) rejection of claims 1, 3–15, and 17–20 over Ritchie and Loomis, and we do not sustain the Examiner's § 103(a) rejection of claims 2 and 16 over Ritchie, Loomis, and Ruggiero.

CONCLUSION

In summary, we have granted Appellant's request for rehearing and modified our Decision so as to reverse the 35 U.S.C. § 103(a) rejections of claims 1–20. In all other respects, Appellant's Request is DENIED.

No time period for taking any subsequent action in connection in this appeal may be extended under 37 C.F.R. § 1.136(a).

REHEARING DENIED