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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte RAMAKRISHNA VENKATA SATYAVOLU,
SAMIR KOTHARI, and SHEHZAD DAREDIA

Appeal 2017-010439¹
Application 14/058,654²
Technology Center 3600

Before BIBHU R. MOHANTY, MICHAEL C. ASTORINO, and
NINA L. MEDLOCK, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1–20. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants' Appeal Brief ("App. Br.," filed February 16, 2017) and Reply Brief ("Reply Br.," filed July 31, 2017), and the Examiner's Answer ("Ans.," mailed June 6, 2017) and Final Office Action ("Final Act.," mailed August 25, 2016).

² Appellants identify Truaxis, Inc. as the real party in interest. App. Br. 3.

CLAIMED INVENTION

Appellants' claimed invention "is generally related to an in-statement rewards platform" (Spec. ¶ 4).

Claims 1, 8, and 14 are the independent claims on appeal. Claim 1, reproduced below with bracketed notations added, is illustrative of the claimed subject matter:

1. A method, comprising:

[(a)] gathering transaction data by at least one computer from a user's financial account, wherein the user's financial account is a financial institution account that is maintained on behalf of the user;

[(b)] analyzing the transaction data with the at least one computer for transactions by the user;

[(c)] matching a savings opportunity from a database of savings opportunities to the user based on the transactions by the user, wherein the savings opportunity can be shared with other users or a social network;

[(d)] displaying the matched savings opportunity in association with a statement of the user's financial account;

[(e)] receiving an indication from the user by the at least one computer for sharing the matched savings opportunity with at least one additional user, wherein sharing causes the at least one computer to generate a shared savings opportunity;

[(f)] receiving a transmission of the shared savings opportunity at a mobile device of the at least one additional user; and

[(g)] receiving an indication to redeem the shared savings opportunity.

REJECTIONS

Claims 1–20 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 1, 7–9, and 14 are rejected on the ground of non-statutory double patenting as unpatentable over claims 1 and 7–10 of U. S. Patent No. 8,566,197.

ANALYSIS

Patent-Ineligible Subject Matter

Appellants argue the pending claims as a group (App. Br. 10–12). We select independent claim 1 as representative. The remaining claims stand or fall with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv).

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, however, has long interpreted § 101 to include an implicit exception: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (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.*, 573 U.S. at 217. The first step in that analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* If the claims are not directed to a patent-ineligible concept, e.g., an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “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).

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. Therefore, the Federal Circuit has instructed that claims are to be considered in their entirety to determine “whether their character as a whole is directed to excluded subject matter.” *McRO, Inc. v. Bandai Namco Games Am., Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)).

We are not persuaded, as an initial matter, by Appellants’ argument that the Examiner erred in determining that claim 1 is directed to an abstract idea (App. Br. 10–11). The Federal Circuit has explained that “the ‘directed to’ inquiry applies a stage-one filter to claims, considered in light of the [S]pecification, based on whether ‘their character as a whole is directed to excluded subject matter.’” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (quoting *Internet Patents Corp.*, 790 F.3d at 1346). It asks whether the focus of the claims is on a specific improvement in relevant technology or on a process that itself qualifies as an “abstract idea” for which computers are invoked merely as a tool. *See id.* at 1335–36. Here, it is clear from the Specification that the claims focus on an abstract idea, and not on any improvement to computer technology and/or functionality.

The Specification is titled “SYSTEM AND METHOD FOR PROVIDING SOCIALLY ENABLED REWARDS THROUGH A USER FINANCIAL INSTRUMENT.” The Background section of the

Specification describes that, although comparison shopping for products is known, often a consumer may be aware of only some information regarding a service provider's services, options, terms, conditions, costs and the like; in particular, the consumer may not be aware of how these service options change based on his or her own usage characteristics (Spec. ¶ 6). The claimed invention is ostensibly intended to address this issue by obtaining actual or predicted usage data from the consumer together with service provider information, and presenting the consumer with relevant service offering options, which the user may then share with other users or a social network (*id.* ¶ 6; *see also id.* ¶¶ 7, 27).

Considered in light of the Specification, the purported advance over the prior art is, thus, a way of matching a user, based on his/her previous transactions, to a savings opportunity, and allowing the user to share that savings opportunity with a second user, who can redeem the savings opportunity. In that context, claim 1 is directed to (1) collecting and analyzing user-specific transaction information to identify a savings opportunity for a first user (steps (a) – (c)); (2) displaying the savings opportunity to the first user (step (d)); (3) transmitting the savings opportunity to a second user if the first user elects to share the savings opportunity (steps (e) and (f)); and (4) redeeming the savings opportunity (step (g)) — in other words, to targeted advertising, which is a method of organizing human activity and, therefore, an abstract idea.

The Federal Circuit has consistently held that abstract ideas include the concepts of collecting data, analyzing the data, and displaying the results of the collection and analysis, including when limited to particular content. *See, e.g., Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d

1332, 1340 (Fed. Cir. 2017) (identifying the abstract idea of collecting, displaying, and manipulating data); *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016) (characterizing collecting information, analyzing information by steps people go through in their minds, or by mathematical algorithms, and presenting the results of collecting and analyzing information, without more, as matters within the realm of abstract ideas); *see also SAP America, Inc. v. Investpic, LLC*, 898 F.3d 1161, 1168 (Fed. Cir. 2018) (“As many cases make clear, even if a process of collecting and analyzing information is ‘limited to particular content’ or a particular ‘source,’ that limitation does not make the collection and analysis other than abstract.” (quoting *Elec. Power Grp.*, 830 F.3d at 1353, 1355 (citing cases))). Targeting customers with particular incentives, e.g., discount service offerings, also is a longstanding marketing and advertising practice, and is substantially similar to economic practices that the courts have found patent-ineligible. *See, e.g., Morsa v. Facebook, Inc.*, 77 F. Supp. 3d 1007, 1013 (C.D. Cal. 2014), *aff’d*, 622 F. App’x 915 (Fed. Cir. 2015) (concluding that claims directed to “targeting advertisements to certain consumers” were no more than an abstract idea); *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 713 (Fed. Cir. 2014) (offering media content in exchange for viewing an advertisement); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (tailoring information presented to a user based on particular information); *Affinity Labs of Texas, LLC v. Amazon.com, Inc.*, 838 F.3d 1266, 1271 (Fed. Cir. 2016) (customizing a user interface to have targeted advertising based on user information). Using coupons as part of a commercial transaction, i.e., coupon redemption, also is another old, well-

known, and fundamental economic practice, i.e., an abstract idea. And the law is clear that “[a]dding one abstract idea . . . to another abstract idea . . . does not render [a] claim non-abstract.” *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1327 (Fed. Cir. 2017); *see also Fair Warning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016) (patent-ineligible claims were directed to a combination of abstract ideas).

The Specification describes, as mentioned above, that a consumer may not be aware of how a service provider’s service options, terms, or conditions are affected, i.e., changed, by the user’s particular usage characteristics (Spec. ¶ 6), and decries that “there remains a need for a consumer comparison shopping method that obtains actual or predicted service usage data from the consumer and service provider information in order to present the consumer with relevant alternative service offering options” (*id.*). It, thus, clearly appears from the Specification that the focus of the claimed invention is on addressing a business objective (i.e., providing discount offerings to targeted individuals to attract potential customers), and not only any claimed means for accomplishing that goal that improves technology.

We find no indication in the Specification, nor do Appellants direct us to any indication, that the operations recited in claim 1, for example, invoke any assertedly inventive programming, require any specialized computer hardware or other inventive computer components, i.e., a particular machine, or that the claimed invention is implemented using other than generic computer components to perform generic computer functions. *See DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (“[A]fter *Alice*, there can remain no doubt: recitation of generic computer

limitations does not make an otherwise ineligible claim patent-eligible.”). In fact, the Specification suggests just the opposite, i.e., that the claimed invention may be implemented using only generic computer components (*see, e.g.*, Spec. ¶¶ 195–197).

We also find no indication in the Specification that the claimed invention effects a transformation or reduction of a particular article to a different state or thing. Nor do we find anything of record, short of attorney argument, that attributes any improvement in computer technology and/or functionality to the claimed invention or otherwise indicates that the claimed invention integrates the abstract idea into a “practical application,” as that phrase is used in the USPTO’s “2019 Revised Patent Subject Matter Eligibility Guidance,” 84 Fed. Reg. 50, 55 (January 7, 2019).³

Attempting to draw an analogy between claim 1 and patent-eligible claim 1 of Example 23 of the USPTO’s “July 2015 Update Appendix 1: Examples,”⁴ Appellants argue that claim 1 is not directed to an abstract idea

³ In accordance with the USPTO’s revised guidance, a claim will be considered “directed to” an abstract idea if (1) the claim recites subject matter falling within one of the following groupings of abstract ideas: (a) mathematical concepts; (b) certain methods of organizing human interactions, e.g., fundamental economic principles or practices, commercial or legal interactions; and (c) mental processes, and (2) the claim does not integrate the abstract idea into a practical application. *See Revised Guidance*, 84 Fed. Reg. at 54–55.

⁴ Exemplary claim 1, which appears at page 8 of Appendix 1 of the July 2015 Update (available at <https://www.uspto.gov/sites/default/files/documents/ieg-july-2015-app1.pdf>), reads:

1. A computer-implemented method for dynamically relocating textual information within an underlying window displayed in a graphical user interface, the method comprising:

but instead, is necessarily rooted in computer technology to overcome a problem specifically arising in graphical user interfaces (App. Br. 10–11). We are not persuaded, however, that any parallel exists between pending claim 1 and hypothetical claim 1 of Example 23.

Claim 1 of Example 23 is directed to a computer-implemented method for dynamically relocating information on a graphical user interface (“GUI”) if a window overlap condition exists. The July 2015 Update explains, at page 9 of Appendix 1, that claim 1 is patent-eligible because it is not directed to an abstract idea (e.g., it “does not recite any mathematical concept or mental process such as comparing or categorizing information”) but instead is “necessarily rooted in computer technology to overcome a problem [i.e., overlapping windows and obscured text in GUIs] specifically arising in graphical user interfaces.”

Appellants argue that claim 1 addresses a problem specifically arising in the display of data, i.e., “the problem of efficiently combining dynamic data, such as savings opportunities, with traditionally displayed static

displaying a first window containing textual information in a first format within a graphical user interface on a computer screen;
displaying a second window within the graphical user interface;
constantly monitoring the boundaries of the first window and the second window to detect an overlap condition where the second window overlaps the first window such that the textual information in the first window is obscured from a user’s view;

automatically relocating the textual information, by a processor, to an unobscured portion of the first window in a second format during an overlap condition so that the textual information is viewable on the computer screen by the user; and

automatically returning the relocated textual information, by the processor, to the first format within the first window when the overlap condition no longer exists.

transaction data” (App. Br. 11). Yet, claim 1 merely recites “displaying the matched savings opportunity in association with a statement of the user’s financial account.” We find nothing in the claim language that requires “combining dynamic data, such as savings opportunities, with traditionally displayed static transaction data” on a display interface. In fact, we find no mention in claim 1 (or in any other claim) of a display interface, let alone a graphical user interface like that in hypothetical claim 1. At least for that reason, it is unclear to us in what way claim 1 is “necessarily rooted in computer technology to overcome a problem specifically arising in graphical interfaces,” as Appellants maintain (App. Br. 11).

Further pointing to steps (e), (f), and (g) of claim 1, Appellants note that, “as claimed, the indication from the user [for sharing the matching savings opportunity] is by attribute, i.e., *at least one additional user*, while the receiving of the transmission is by [a] device, i.e., *a mobile device of the at least one additional user*” (App. Br. 11). And Appellants argue that the translation of a logical designation, i.e., “user,” to a particular device identifier is “both rooted in computer technology and solves the problem of hiding the complexities when routing communications to a particular device from a user that only knows the additional user’s identity” (*id.*).

The difficulty with Appellants’ argument is that claim 1 merely recites a result (i.e., that a shared savings opportunity is generated and transmission of the shared savings opportunity is received at a mobile device of the at least one additional user, in response to an indication from a user for sharing the matched savings opportunity with the at least one additional user), without any technical details for achieving that result. Appellants, by their argument, suggest such details exist, but those details are not reflected in the

claim. For example, claim 1 does not specify how a “logical designation,” i.e., “user” is translated to a “particular device identifier,” i.e., the user’s mobile device. Nor does the claim specify how the claimed computer generates the shared savings opportunity. Instead, “the claim language here provides only a result-oriented solution with insufficient detail for how a computer accomplishes it. Our law demands more.” *Intellectual Ventures*, 850 F.3d at 1342.

Specifically referencing step two of the *Mayo/Alice* framework, Appellants direct the Board’s attention to the Federal Circuit’s decision in *BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016); and Appellants argue that “claim 1 likewise recites an ordered combination of claim limitations that transform any alleged abstract idea into a particular, practical application of that abstract idea” (App. Br. 11–12). But, we find no parallel between claim 1 and the claim in *BASCOM*. *BASCOM*’s patent-eligible ordered combination of claim limitations contains an “inventive concept [that] harnesses [a] technical feature of network technology in a filtering system by associating individual accounts with their own filtering scheme and elements while locating the filtering system on an ISP [Internet Service Provider] server,” *BASCOM*, 827 F.3d at 1350, and, thus, improves the performance of the computer system itself with a “technology-based solution . . . to filter content on the Internet that overcomes existing problems with other Internet filtering systems.” *Id.* at 1351.

Ostensibly relying on *BASCOM*, Appellants argue that even if the claimed analysis, matching, and displaying of savings opportunities with a statement of a user’s financial account were determined to be directed to an

abstract idea, “the combination of these elements, affecting as it does the display of savings opportunity data with transaction data, would effectively transform any such abstract idea into a patent eligible application of any such abstract idea” (App. Br. 12). Yet, we find no indication in the Specification, nor do Appellants direct us to any indication, that the claimed analysis, matching, and displaying steps, as recited in claim 1, provide “a technology-based solution” that improves the performance of the computer system itself, like the “ordered combination” in *BASCOM*. See *BASCOM*, 827 F.3d at 1351.

Appellants argue for the first time in their Reply Brief that the Examiner has failed to establish a prima facie case of unpatentability (Reply Br. 2–3). That argument is untimely, and is waived here in the absence of any showing of good cause why the argument could not have been timely presented in Appellants’ Appeal Brief. See 37 C.F.R. § 41.41(b)(2); see also *In re Hyatt*, 211 F.3d 1367, 1373 (Fed. Cir. 2000) (noting that an argument not first raised in the brief to the Board is waived on appeal); *Ex parte Nakashima*, 93 USPQ2d 1834, 1837 (BPAI 2010) (informative) (explaining that arguments and evidence not timely presented in the Principal Brief, will not be considered when filed in a Reply Brief, absent a showing of good cause explaining why the argument could not have been presented in the Principal Brief); *Ex parte Borden*, 93 USPQ2d 1473, 1477 (BPAI 2010) (informative) (“Properly interpreted, the Rules do not require the Board to take up a belated argument that has not been addressed by the Examiner, absent a showing of good cause.”). Moreover, even if the argument were not waived, Appellants cannot reasonably maintain that the Examiner, in rejecting the claims under § 101, failed to establish a prima facie case of

patent-eligibility, i.e., that the Examiner failed to comply with the notice requirement of 35 U.S.C. § 132 (*see In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011) (holding that the USPTO carries its procedural burden of establishing a prima facie case when its rejection satisfies the requirements of 35 U.S.C. § 132)), when Appellants seemingly had no difficulty, as evidenced by their Appeal Brief, in preparing a substantive response.

We also do not agree with Appellants that the Examiner has overgeneralized the claimed invention as directed to a method of organizing human activity, or that the Examiner has, otherwise, failed to consider the claims as a whole (Reply Br. 3–5). Appellants argue that the Examiner has not taken into account that the claimed invention, which viewed as a whole, “integrates the ability for a user to receive a pertinent savings opportunity based on prior transactions with providing an efficient mechanism for generating and conveying like opportunities [to] others who may be especially receptive to such opportunities” (*id.* at 5). But again, Appellants do not identify anything in the Specification to indicate, nor do we find any indication in the Specification, that the operations recited in claim 1, including any integration involved in the receipt and sharing of savings opportunities, require any specialized or inventive computer components or invoke any allegedly inventive programming. The inquiry is not whether there is a business challenge resolved by the instant invention, but whether the challenge is one rooted in technology, or one where the proposed solution is merely using computers as a tool. *See Enfish*, 822 F.3d at 1335–36. Here, it clearly appears that claim 1 involves nothing more than using a generic computer as a tool to implement an abstract idea, i.e., providing

targeted savings opportunities to users and allowing those users to share those saving opportunities with other users.

Appellants argue that the claimed invention is rooted in computer technology, and overcomes a number of technical problems in computer networks, “including the problem of including the problem of efficiently and effectively generating and propagating individually actionable opportunities designed to have an enhanced probability of being acted upon by an “additional user”” (Reply Br. 5). But, we are not persuaded that this is a problem particular to computer networks. Targeted advertising existed before and still exists outside of computer technology and computer networks. *See Tuxis Technologies, LLC v. Amazon.com, Inc.*, No. CV 13-1771-RGA, 2014 WL 4382446, at *5 (D. Del. Sept. 3, 2014) (Matching consumers with a given product or service “has been practiced as long as markets have been in operation.”). And the purported solution here of, at best, a generic computer performing generic computer functions, is not “necessarily rooted in computer technology.”

We also do not agree with Appellants that the claimed invention is akin to the claims held patent-eligible in *DDR Holdings* (Reply Br. 6–7). The claims in *DDR Holdings* were held patent-eligible because the claims “specify how interactions with the Internet are manipulated to yield a desired result . . . that overrides the routine and conventional sequence of events ordinarily triggered by the click of a hyperlink,” *DDR Holdings*, 773 F.3d at 1258, and the claimed solution was “necessarily rooted in computer technology to overcome a problem specifically arising in the realm of computer networks.” *Id.* at 1256. Here, we do not find, and Appellants do not identify, any analogous modification to the routine and conventional

functioning of computer network technology. At best, the invention appears to use generic computer components (e.g., “at least one computer” (claim 1)) to perform an abstract business practice.

We are not persuaded, on the present record, that the Examiner erred in rejecting independent claim 1 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection of claim 1, and claims 2–20, which fall with claim 1.

Double Patenting

Appellants do not provide any response to the Examiner’s double patenting rejection except to indicate that they “stand ready to file . . . a terminal disclaimer when the final form of all allowable claims is determined” (App. Br. 13). Therefore, the Examiner’s rejection is summarily sustained.

DECISION

The Examiner’s rejection of claims 1–20 under 35 U.S.C. § 101 is affirmed.

The Examiner’s rejection of claims 1, 7–9, and 14 on the ground of non-statutory double patenting is affirmed.

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