UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
14/276,071	05/13/2014	Simon Collins	P01637-US-UTIL (M01.293)	1074

125619 7590 12/18/2018		EXAMINER
Mastercard International Incorporated		OYEBISI, OJO O
c/o Buckley, Maschoff & Talwalkar LLC		
50 Locust Avenue		
New Canaan, CT 06840		

ART UNIT	PAPER NUMBER
3697	

NOTIFICATION DATE	DELIVERY MODE
12/18/2018	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

martin@bmtpatent.com
szpara@bmtpatent.com
colabella@bmtpatent.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SIMON COLLINS and IAN MADDOCKS

Appeal 2017-010520
Application 14/276,071[1]
Technology Center 3600

Before CARLA M. KRIVAK, HUNG H. BUI, and
JON M. JURGOVAN, *Administrative Patent Judges*.

JURGOVAN, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants seek review under 35 U.S.C. § 134(a) from a Final

Rejection of claims 1–7, 9–11, 21, and 22, which are all the claims pending

in the application. We have jurisdiction under 35 U.S.C. § 6(b).

We REVERSE.[2]

---

[1] Appellants identify Mastercard International Incorporated, as the real party
in interest. (App. Br. 2.)
[2] Our Decision refers to the Specification ("Spec.") filed May 13, 2014, the
Final Office Action ("Final Act.") mailed September 30, 2016, the Appeal
Brief ("App. Br.") filed February 23, 2017, the Examiner's Answer ("Ans.")
mailed June 19, 2017, and the Reply Brief ("Reply Br.") filed August 8,
2017.

CLAIMED INVENTION

The claims are directed to methods for "passive cardholder verification . . . in [a] mobile device" by which "a customer verification method (CVM) may be performed without prompting the user to provide any input" on the payment-enabled mobile device. (Title (capitalization altered); Abstract.) An outcome of the passive CVM is input to a risk based decision process performed by the mobile device, to determine whether a payment transaction is approved or declined. (Abstract.)

Claims 1, 21, and 22 are independent. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A method comprising:

providing a mobile device, the mobile device including at least one CVM (cardholder verification method) data source, the at least one CVM data source including at least one of a microphone, a camera, a gyroscope, an accelerometer and a touchscreen;

receiving CVM data from the at least one CVM data source, said CVM data indicative of at least one characteristic and/or attribute of a user of the mobile device;

initiating a CVM data evaluation process using the received CVM data as an input, the CVM data evaluation process being initiated, performed and completed without the user being or having been prompted to submit input to the at least one CVM data source in connection with performance of said CVM data evaluation process, said CVM data evaluation process being performed by a processing device in communication with the at least one CVM data source; and

providing a result of the CVM data evaluation process, wherein the user's at least one characteristic and/or attribute is indicated by at least one of (a) facial recognition; (b) gait analysis; (c) gesture analysis; (d) voice recognition; and (e) heartbeat analysis.

(App. Br. 14–16 (Claims App.).)

REJECTIONS & REFERENCES

(1)   Claims 1–7, 9–11, 21, and 22 stand rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter. (Final Act. 2–5.)

(2)   Claims 1–7, 9–11, 21, and 22 stand rejected under 35 U.S.C. § 103 based on Phillips et al. (US 2010/0248779 A1, published Sept. 30, 2010) ("Phillips") and Mestré et al. (US 2011/0112918 A1, published May 12, 2011) ("Mestré"). (Final Act. 6–11.)

ANALYSIS

35 U.S.C. § 101 Rejection

The Examiner finds claims 1, 21, and 22 are "directed towards the abstract idea of performing a passive cardholder verification. . . . [which] is a fundamental economic practice" and also "corresponds to concepts identified as abstract ideas by the courts, such as data processing in Content[]Extraction." (Final Act. 3 (citing *Content Extraction & Transmission LLC v. Wells Fargo Bank*, 776 F.3d 1343, 1347–1348 (Fed. Cir. 2014)); Ans. 3, 5.) The Examiner also finds the claimed processes are "well-understood, routine, and conventional [and] previously known to the industry," as Appellants' "specification does not describe how this [claimed] method improves upon the conventional passive cardholder verification process." (Final Act. 6.) For these reasons, the Examiner concludes the claims are directed to unpatentable subject matter under § 101. *Id.*

To determine whether subject matter is patentable under § 101, the Supreme Court has set forth a two part test "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 International, 134 S. Ct. 2347, 2355 (2014). The first step in
the analysis is to "determine whether the claims at issue are directed to one
of those patent-ineligible concepts," such as an abstract idea. *Id.* (citation
omitted). For computer-related technologies, "the first step in the *Alice*
inquiry . . . asks whether the focus of the claims is on the *specific asserted*
improvement in computer capabilities" (which would be eligible subject
matter) or instead "on a process that qualifies as an 'abstract idea' for which
computers are invoked merely as a tool" (which would be ineligible subject
matter). *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–1336, 1338
(Fed. Cir. 2016) (emphasis added). "If the claims are not directed to an
abstract idea [or other patent-ineligible concept], the inquiry ends. If the
claims are 'directed to' an abstract idea, then the inquiry proceeds to the
second step of the *Alice* framework." *McRO, Inc. v. Bandai Namco Games*
Am. Inc., 837 F.3d 1299, 1312 (Fed. Cir. 2016).

The second step in the *Alice* framework is to consider the elements of
the claims "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.* (citing *Mayo Collaborative*
Services v. Prometheus Laboratories, Inc., 566 U.S. 66, 78, 79 (2012)). 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.* (citing *Mayo*, 566 U.S. at 72–73).

Here, the Examiner analogized the claims to *Content Extraction*.
(Ans. 3, 5.) However, the Examiner's reliance is misplaced because the
claims in *Content Extraction* "merely recite the use of this existing scanning
and processing technology to recognize and store data from specific data

4

fields such as amounts, addresses, and dates," which was held to be ineligible subject matter because "humans have always performed these functions" and "'the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.'" *Content Extraction*, 776 F.3d at 1347–1348 (quoting *Alice*, 134 S. Ct. at 2358).

The claims before us are different. We agree with Appellants, "the Examiner's characterization of the subject matter of the claims . . . failed to reflect the technological nature of the claims, and unjustifiably ascribed to them a level of abstraction that is belied by the actual content of the claim limitations." (App. Br. 8.) Here, the Examiner's finding the claims directed to a fundamental economic practice or "data processing" as in *Content Extraction* fails to consider the actual claim limitations, and does not show a connection between the claims' recitations and the abstract ideas identified. (App. Br. 8–9; Reply Br. 2.) For example, the Examiner fails to consider the improvement to a mobile device providing secure payment capabilities for a cardholder verification "initiated, performed and completed without the user being or having been prompted to submit input to the at least one CVM data source" as recited in claim 1. (Reply Br. 2–3.) The Examiner's analysis (Final Act. 3 and Ans. 5) merely lists known categories of abstract ideas without "look[ing] at the 'focus of the claimed advance over the prior art' to determine if the claim's 'character as a whole' is directed to excluded subject matter." *Affinity Labs of Texas, LLC v. DirectTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016) (quoting *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016)).

Here, the character of claims 1, 21, and 22 as a whole is directed to an improved payment-enabled mobile device and an improved "technique for providing secure access to payment capabilities of a payment-enabled

mobile device." (Reply Br. 2). *See Enfish*, 822 F.3d at 1335–1336 (patent eligible claims directed to an improvement in computer capabilities via a self-referential table for a computer database); *McRO*, 837 F.3d at 1314 (patent eligible method claims directed to an improvement in computer animation, not an abstract idea that merely invokes generic processes and machinery).

Our conclusion is supported by the Specification's description of Appellants' invention as directed to "a payment-enabled mobile device [that] applies one or more 'passive' CVM processes [by which user is not prompted to submit input to the CVM process] on an ongoing basis to provide a primary or supplemental assurance that the payment-enabled mobile device remains in the possession of the authorized user." (Spec. 2:20–22.) Appellants' CVM-enabled mobile device performs "an automated facial recognition of the user via a forward-facing camera," "a voice recognition algorithm applied to the user's utterances during telephone calls using the device," and/or "an analysis of the user's gait while walking, as detected via one or more motion sensing components of the device." (Spec. 3:1–5.) Appellants' passive CVM "may achieve a superior balance of user convenience with achievement of the risk management goals of payment card account issuers." (Spec. 3:10–11, 11:4–6, 17:20–27.)

We are also not persuaded by the Examiner's finding that "performing a passive cardholder verification" qualifies as an abstract idea. (Final Act. 3 ("the claim is directed towards the abstract idea of performing a passive cardholder verification").) The Examiner fails to explain why "performing a passive cardholder verification" qualifies as an abstract idea, and does not identify any case law precedent of an abstract idea similar to performing passive CVM. (App. Br. 8; Reply Br. 3.)

Because we find claims 1, 21, and 22 are not directed to an abstract idea under the first step of the *Alice* analysis, we do not reach step two of the test set forth in *Alice*. *See Enfish*, at 1336, 1339.

For these reasons, we do not sustain the Examiner's rejection of claims 1, 21, and 22, and their dependent claims 2–7 and 9–11 as directed to non-statutory subject matter under 35 U.S.C. § 101.

35 U.S.C. § 103 Rejection

The Examiner finds the combination of Phillips and Mestré teaches the passive CVM method recited in claim 1. (Final Act. 6–7.) Specifically, the Examiner finds Phillips discloses a cardholder verification method that receives CVM data (such as a user's signature or fingerprint) from a mobile phone's CVM data source, and initiates a CVM evaluation using the received data. (Final Act. 6 (citing Phillips ¶¶ 33, 62).) The Examiner also finds Mestré's facial recognition CVM technique teaches the claimed "CVM data evaluation process . . . initiated, performed and completed without the user being or having been prompted to submit input to the at least one CVM data source." (Final Act. 7 (citing Mestré ¶ 57).) We do not agree.

We agree with Appellants that Phillips and Mestré, alone or in combination, fail to teach or suggest a CVM data evaluation process "initiated, performed and completed without the user being or having been prompted to submit input to the at least one CVM data source in connection with performance of said CVM data evaluation process" as recited in claim 1. (App. Br. 9–10; Reply Br. 3.) Mestré merely discloses:

> cardholder verification methods [that] may entail (as described below) prompting the user to enter a PIN, receiving the PIN digits as entered by the user, and verifying that the entered PIN digits match the PIN as previously stored in the payment-enabled mobile telephone **102**. In addition or alternatively, other CVM

techniques may be employed in the payment-enabled mobile
telephone **102**, such as biometric techniques that may include
fingerprint reading or facial recognition.

(Mestré ¶ 57.)

Thus, Mestré's CVM prompts the user to enter a PIN for verification,
or alternatively uses "biometric techniques that may include fingerprint
reading or facial recognition." (*See* Mestré ¶ 57.) Mestré, however, "<u>does
not state or suggest that the biometric techniques would not require
prompting the user to submit to such techniques</u>." (App. Br. 10.) Rather, a
skilled artisan would understand that the biometric techniques in Mestré's
paragraph 57, like the PIN verification mentioned in the same paragraph,
would entail prompting the user to submit input to the mobile phone. (Reply
Br. 3; App. Br. 10.) Other portions of Mestré similarly disclose prompting
the user to submit input to the mobile phone to perform a cardholder
verification. (*See* Mestré ¶¶ 96–97, 105, 129, and Fig. 11.) As Appellants
explain, Mestré does not enable or configure a mobile phone to initiate and
perform a CVM process without the user being or having been prompted to
submit input to the phone in connection with performance of the CVM, as
required by claim 1. (Reply Br. 3; App. Br. 10.)

Phillips does not make up for the above-noted deficiencies of Mestré.
For example, Phillips discloses the user is actively involved in providing
input for CVM processing. (App. Br. 9; *see* Phillips ¶¶ 58, 62 (the user is
prompted to submit a PIN, present the fingertip/thumb to a fingerprint
reader, or operate a stylus to enter a signature into a stylus pad).)

Thus, for the reasons set forth above, we do not sustain the
Examiner's obviousness rejection of independent claim 1 and claims 2–7,
and 9–11 dependent therefrom. We also do not sustain the Examiner's

rejection of independent claims 21 and 22 (similarly reciting a CVM evaluation "initiated, performed and completed without the user being or having been prompted to submit input to the at least one CVM data source"). Because the above-discussed issue is dispositive as to the obviousness rejections of all claims on appeal, we do not reach additional issues raised by Appellants' arguments as to the rejections of claims 21 and 22.

DECISION

The Examiner's rejection of claims 1–7, 9–11, 21, and 22 under 35 U.S.C. § 101 is reversed.

The Examiner's rejection of claims 1–7, 9–11, 21, and 22 under 35 U.S.C. § 103 is reversed.

REVERSED