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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte
FRANCISCO MARTINEZ DE VELASCO CORTINA and
MANFRED RIETZLER

Appeal 2017-010934
Application 14/585,057¹
Technology Center 3600

Before ALLEN R MacDONALD, IRVIN E. BRANCH, and
DAVID J. CUTITTA II, *Administrative Patent Judges*.

BRANCH, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from a final rejection of claims 1–4, 6–8, 10–12, 14, 15, 17, and 18, which are all of the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

Technology

The application relates to wirelessly providing payment information from a device when the device authenticates whether received biometric

¹ According to Appellants, the real party in interest is Neology, Inc. App. Br. 2.

information corresponds to stored biometric information. Spec. Abstract;
App. Br. 13 (Claim 1²).

Illustrative Claim

Claim 1 is illustrative and reproduced below with the limitations at issue emphasized:

1. A mobile device, comprising:
 - radio frequency (RF) cellular circuitry;
 - memory configured to store biometric authentication information and payment information;
 - a biometric module configured to read biometric information;
 - an authentication module configured to determine whether the biometric information read by the biometric module corresponds to the biometric authentication information stored in memory; and
 - a transaction module configured to provide the payment information via the RF cellular circuitry for use in a transaction when the biometric information read by the biometric reading device is successfully authenticated as being associated with the biometric authentication information by the authentication module.

² Appellants' Claim Appendix mis-numbers claim 1 as claim 3. App. Br. 13

References and Rejections^{3,4}

Claims 1–4, 6–8, 10–12, 14, 15, 17, and 18 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. Final Act. 8–12.

Claims 1–3, 6, and 8 stand rejected under pre-AIA 35 U.S.C. § 103(a) as unpatentable over the combination of Walker et al. (US 6,163,771; Dec. 19, 2000) (“Walker”) and Holmes (US 6,848,048 B1; Jan. 25, 2005). Final Act. 13–15.

Claims 4, 10–12, 15, 17, and 18 stand rejected under pre-AIA 35 U.S.C. § 103(a) as unpatentable over the combination of Walker, Holmes, and Chen et al. (US 5,590,197; Dec. 31, 1996) (“Chen”). Final Act. 15–19.

Claims 7 and 14 stand rejected under pre-AIA 35 U.S.C. § 103(a) as unpatentable over the combination of Walker, Holmes, Chen, and Voltmer et al. (US 2002/0112177 A1; published Aug. 15, 2002) (“Voltmer”). Final Act. 19–20.

ANALYSIS

We have reviewed the Examiner’s rejections in light of Appellants’ arguments. We have considered in this Decision only those arguments

³ Rather than repeat the Examiner’s positions and Appellants’ arguments in their entirety, we refer to the above mentioned Appeal Brief filed February 9, 2017 (“App. Br.”), as well as the following documents for their respective details: the Final Rejection mailed May 9, 2016 (“Final Act.”), the Examiner’s Answer mailed June 21, 2017 (“Ans.”), and Appellants’ Reply Brief filed August 21, 2017 (“Reply Br.”).

⁴ Several non-statutory double patenting rejections are pending. *See* Final Act. 20–27. Appellants do not argue these rejections but rather have requested these rejections “be held in abeyance pending the indication of allowable subject matter.” App. Br. 6; *see* Ans. 3. We summarily sustain these rejections.

Appellants actually raised in the Briefs. Any other arguments Appellants could have made but chose not to make in the Briefs are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(iv). We adopt the Examiner’s findings and conclusions as our own, to the extent consistent with our analysis herein.

The 35 U.S.C. § 101 Rejection

A. Section 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. 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. *E.g.*, *Alice Corp. 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 of rubber products” (*Diamond v. Diehr*, 450 U.S. 175, 192 (1981)); “tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores” (*id.* at 182 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 U.S. at 187; *see also id.* at 191 (“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.* (citation omitted) (citing *Benson* and *Flook*); *see, e.g., id.* at 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.* (alterations in original) (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.*

B. USPTO Section 101 Guidance

The United States Patent and Trademark Office (USPTO) recently published revised guidance on the application of § 101. USPTO’s January 7, 2019 Memorandum, *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (“Memorandum”). Under that guidance, we first look to whether the claim recites:

(1) (*see* Memorandum Step 2A – Prong One) 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) (*see* Memorandum Step 2A – Prong Two) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)).⁵

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:

⁵ We acknowledge that some of these considerations may be properly evaluated under Step 2 of *Alice* (Step 2B of Office guidance). Solely for purposes of maintaining consistent treatment within the Office, we evaluate it under Step 1 of *Alice* (Step 2A of Office guidance). *See* USPTO’s January 7, 2019 Memorandum, “2019 Revised Patent Subject Matter Eligibility Guidance.”

(3) adds a specific limitation beyond the judicial exception that is 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 Step 2B.

C. Examiner’s § 101 Rejection - Alice/Mayo - Step 1

Applying step 1 of the *Alice/Mayo* analysis, the Examiner concludes claim 1 is directed to a judicial exception, an abstract idea. Specifically, the Examiner determines the claims are directed to “a payment transaction using a mobile device to complete the transaction with a point of sale terminal utilizing security measures to increase security measures and operate using a short range radio frequency, which is a fundamental economic practice or an idea of itself.” Final Act. 11.

We disagree with the Examiner’s determination. Taking claim 1 as exemplary, we determine the claims are directed to a device that determines whether biometric information read by a biometric module corresponds to stored biometric authentication information. Thus, we disagree that the claims are directed to either a mathematical concept, certain methods of organizing human activity such as a fundamental economic practice, or a mental process. *See* Memorandum Step 2A – Prong One. We do not find the claims to be subject matter ineligible otherwise, and therefore need not proceed with further analysis of this rejection.

For the foregoing reason, we do not sustain the Examiner's subject matter eligibility rejection of claim 1, and we do not sustain the rejection of claims 2–4, 6–8, 10–12, 14–15, 17, and 18 for the same reason.

The 35 U.S.C. § 103 Rejections

Claim 1 recites, in relevant part, “a transaction module configured to provide the payment information via the RF cellular circuitry for use in a transaction when the biometric information read by the biometric reading device is successfully authenticated as being associated with the biometric authentication information by the authentication module.”

The Examiner finds Walker discloses using a biometric to access a device for providing payment information. Final Act. 13–14 (citing, *inter alia*, Walker 6:18–19 (“The cardholder first inputs his PIN or biometric data to access the device”). The Examiner finds Walker also discloses transmitting the payment information to a merchant. Ans. 18–22 (citing Walker 8:31–33 (“The resulting credit card number CCN is then displayed on the display screen 102 (step 806) and read, shown or *otherwise transmitted to the merchant.*) (emphasis added)). The Examiner finds Holmes discloses transmitting payment information using RF communication. *Id.*

Appellants argue the Examiner's rejection of claim 1 because Walker does not teach or suggest “provid[ing] the payment information via the RF cellular circuitry for use in a transaction when the biometric information read by the biometric reading device is successfully authenticated as being associated with the biometric authentication information by the authentication module.” App. Br. 10. Appellants contend that “[t]he device of Walker uses a biometric to control access to the device” but “does not

associate biometric information with payment information,” and “further does not use biometric information to control the provision of payment information.” *Id.* Appellants further contend that “it does not appear the device of Walker is capable of establishing a data transfer protocol of any kind for the purpose of transmitting the transaction data.” *Id.* See Reply Br. 9 (“Walker does not teach transmitting the transaction information at all, nor does Walker appear to even teach the ability to transmit the transaction information.”).

Appellants’ arguments are unpersuasive of error for the reasons stated by the Examiner. Ans. 16–22. In particular, Appellants’ argument that “[t]he device of Walker uses a biometric to control access to the device” but “does not associate biometric information with payment information” (App. Br. 10), is unpersuasive because claim 1 does not recite “associate biometric information with payment information.” Rather, claim 1 recites “biometric information read by the biometric reading device is successfully authenticated as being associated with the biometric authentication information by the authentication module.” Appellants’ argument that Walker “does not use biometric information to control the provision of payment information” (*id.*) is unpersuasive because Walker’s use of biometric information to control access to the device does, in fact, control whether payment information may be transmitted (*see* Walker 6:18–19). Appellants’ argument that “it does not appear the device of Walker is capable of establishing a data transfer protocol of any kind for the purpose of transmitting the transaction data” (App. Br. 10) is unpersuasive because Walker explicitly discloses “otherwise transmitting” the payment information (Walker 8:31–33).

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Accordingly, we sustain the Examiner's rejection of claim 1 as obvious over Walker and Holmes. We also sustain the rejections of the remaining claims because Appellants argue the claims collectively. See App. Br. 9–11.

DECISION

For the reasons above, we reverse the Examiner's decision to reject claims 1–4, 6–8, 10–12, 14–15, 17, and 18 under 35 U.S.C. § 101 but we affirm the Examiner's decision rejecting these claims under 35 U.S.C. § 103.

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. § 41.50(f).

AFFIRMED