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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JOHN P. BROWNE, PANKHUDI PANKHUDI,
JAMES C. MCINTYRE, MARCIN L. PAWLOWSKI,
and TEERAWAT VILAISAKULYONG

Appeal 2017-010973
Application 13/873,099
Technology Center 3600

Before ELENI MANTIS MERCADER, NORMAN H. BEAMER, and
ADAM J. PYONIN, *Administrative Patent Judges*.

MANTIS MERCADER, *Administrative Patent Judge*.

DECISION ON APPEAL
STATEMENT OF THE CASE

Appellants¹ appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1–20, which constitute all the pending claims in this application. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ Appellants identify Boku, Inc. as the real party in interest (App. Br. 3).

THE INVENTION

Appellants' claimed invention is directed to an "authorize-and-capture" method in which a consumer using a mobile phone "make[s] a purchase through an online store on the merchant server," and "the consumer may [] cancel the purchase after it has been authorized, but before it has been captured" (Spec. ¶ 18).

Independent claim 1, reproduced below, is representative of the subject matter on appeal:

1. A method of processing a charge comprising:

receiving, with a billing server, an authorize application programmable interface (API) call with an authorize request from a merchant server, including a Mobile Station International Subscriber Directory Number (msisdn) and an amount;

determining, with the billing server, a select carrier server from a plurality of carrier servers;

transmitting, with the billing server, an authorize request to the select carrier server based on the amount;

recording, with the billing server, an authorized transaction, including an authorization-id, wherein the authorization-id is a billing server assigned authorization id, based on the authorize request;

receiving, with the billing server, a capture API call with a capture request, including the authorization-id, after transmitting the authorize request to the select carrier server;

determining, with the billing server, in response to the capture request, whether a cancel request for the authorization-id has been received from the merchant server after the

authorize request and before the capture request and the capture transaction has been cancelled; and

transmitting, with the billing server, in response to the capture request, a billing request to the select carrier server if the captured transaction has not been cancelled but not if the captured transaction has been cancelled.

(Claim Amendment filed Dec. 19, 2016, indicated as “OK TO ENTER” by the Examiner on June 5, 2017).

REJECTION

The Examiner made the following rejection²:

Claims 1–20 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to a judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract idea) without significantly more. Final Act. 12.

ISSUE

The pivotal issue is whether the Examiner erred in finding the claimed invention is directed to a judicial exception without significantly more.

ANALYSIS

Appellants argue that “the claims at issue are not directed to an abstract idea within the meaning of Alice. Rather, they are directed to a

² The rejection of claims 1, 19, and 20 under 35 U.S.C. § 112(b) (*see* Final Act. 11) has been withdrawn based on the claim amendment entered by the Examiner. *See* Ans. 4.

The rejection of claims 1–3 and 5–20 under 35 U.S.C. § 103 (*see* Final Act. 16–37) has been withdrawn. *See* Ans. 16.

specific improvement to the way computers operate, embodied in **the authorization-and-capture method**” (App. Br. 13, emphasis in original). Appellants contend the specification teaches that “**the authorization-and-capture method** functions differently than conventional database structures” (App. Br. 15, citing Spec. ¶ 2, Tables 2–3). Appellants further contend that

the claims are directed to an improvement of an existing technology is bolstered by the specification’s teachings that the claimed invention achieves other benefits over conventional systems, such as **obviating the need to confirm the transaction with a customer**

(App. Br. 16, citing Spec. ¶ 2 and *Openwave Sys., Inc. v. Apple Inc.*, 808 F.3d 509, 513–14 (Fed. Cir. 2015)).

We do not agree with Appellants’ arguments. In *Alice*, the Supreme Court sets forth an analytical “framework 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 Int’l*, 573 U.S. 208, 217 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012)). 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.* (citing *Mayo*, 566 U.S. at 77–78). If the claims are directed to a patent-ineligible concept, the second step in the analysis 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.* (quoting *Mayo*, 566 U.S. at 79, 78). 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.* (brackets in original) (quoting *Mayo*, 566 U.S. at 72–73). The prohibition against patenting an abstract idea “cannot be circumvented by attempting to limit the use of the formula to a particular technological environment’ or adding ‘insignificant post-solution activity.’” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (citation omitted).

With respect to *Alice* step one, the Examiner finds that “the inventive concept, (the identified abstract idea) is directed to processing bills for different carriers” (Ans. 6, citing Spec. ¶¶ 1, 4, Abstract). Such fundamental economic and business practices are often held to be abstract. *See, e.g., Alice*, 573 U.S. at 2219–20 (holding the concept of intermediated settlement is an abstract idea directed to a “fundamental economic practice long prevalent in our system of commerce”) (citation omitted); *see also buySAFE Inc. v. Google, Inc.*, 765 F.3d 1350, 1353–54 (Fed. Cir. 2014) (citing cases where contractual relations at issue constituted fundamental economic practices, and noting that forming or manipulating economic relations may involve an abstract idea); *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) (explaining that claims directed to “the mere formation and manipulation of economic relations” and “the performance of certain financial transactions” have been held to involve abstract ideas).

We agree with the Examiner that the claimed method is directed to the abstract idea of “processing bills for different carriers,” as the claim is directed to the fundamental business practice of consummating a transaction after allowing the consumer a grace period to opt-out (via the claimed

“cancel request”), indistinguishable from the methods found abstract by our reviewing court and described above.

With respect to *Alice* step two, the Examiner finds that the claimed hardware components are “generic” and “recited at a high level of generality” (Ans. 8). Particularly, the Examiner finds that

[]the billing server, merchant server, [and] mobile device[] are operating in the exactly the same way as they were designed to function. They are merely used to implement the abstract idea of (processing of bills for different carriers). There is no improvement to the technology of any of these hardware components, they are being leveraged to implement the identified abstract idea

(Ans. 8). We agree, as the Appellants’ citations to the disclosure do not identify a technological improvement³, and Appellants do not challenge the Examiner’s finding as no Reply was filed. We are not persuaded that the claimed “cancel request” adds “significantly more,” because this request too is part of the abstract idea as transactions traditionally incorporate means whereby one party having cold feet may exit. We also are not persuaded that *Openwave Systems* is pertinent, as Appellants’ disclosure does not appear to be “rife with remarks that disparage” the prior art (*Openwave Systems*, 808 F.3d at 514) in a manner that would suggest Appellants’ claim elements, when considered individually and as an ordered combination, include significantly more than the abstract idea.

³ We note that Appellants’ citation to the disclosure in support of the assertion that “the authorization-and-capture method functions differently than conventional database structures” provides no explanation regarding what a conventional database structure is, nor how Appellants’ method functions differently.

Accordingly, we affirm the Examiner's rejection of independent claim 1, and independent claims 19 and 20 commensurate in scope, and affirm for the same reasons the rejection of claims 2–18.

CONCLUSION

The Examiner did not err in finding the claimed invention is directed to a judicial exception without significantly more.

DECISION

The Examiner's decision rejecting claims 1–20 under 35 U.S.C. § 101 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). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED