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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* VOLKER NEUWIRTH

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Appeal 2017–011678  
Application 14/012,005  
Technology Center 3600

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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, filed 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 1–14 and 18–23. 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. 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. 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; *see also id.* at 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*) 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)).

(3)

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:

(4) adds a specific limitation beyond the judicial exception that are not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or

(5) 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. for 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, and*

(3) *information representing the transaction;*

*extracting the contact information and the information representing the transaction from the one or more first communications;*

*generating a webpage that includes an input area for receiving the user input;*

*formatting the 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 webpage to be displayed;*

*in response to the user selecting the link included in the second communication, transmitting the webpage to the client computing device such that the webpage is displayed to the user to allow the user to 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;*

*in conjunction with receiving the one or more third communications that include the user input, receiving authenticating information from the client computing device;*  
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 perform the transaction to the account.*

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 transaction to be entered into by a user. Dec. 7–8. We regard this claimed concept, of obtaining written

authorization for a transaction, 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 transaction at issue.

The received information and document are extracted and then re-presented in the form of a webpage that is presented to a client computing device so that a user may view it, select a link, and supply user input authorizing a transaction. 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 transaction to the user’s account.

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

We maintain our conclusion that the claimed obtention of authorization for such a transaction 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.<sup>1</sup> Dec. 9–

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<sup>1</sup> 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

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. for Reh’g 18); how the merchant computing system communicates with the server computing system (Req. for Reh’g 19); the functionality that the server computing system performs in response to the merchant computing system’s communications (Req. for Reh’g 20); how the server computing system communicates with the client computing device (Req. for Reh’g 21). 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, presenting data to a user, receiving user input (“agreement”) in response, and associating that user input with the user’s account. The

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‘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 conten” 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.”).

technical aspects discussed by Appellant constitutes 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. for 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. for 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. for 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; 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. 12–13. 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.” App. Br. 14. 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 (authorization for a transaction) 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. 12–13.

We maintain our conclusion that several claim limitations, including: (1) generating and formatting a webpage that includes the document; and (2) transmitting a second communication to a client computing device such that the webpage is caused to be displayed upon the user’s selection of a link, are claim limitations that constitute insignificant extra-solution activity, specifically, data gathering steps. Dec. 12; *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. 12.

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. for 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 argument 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.” App. Br. 15. 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 discloses and claims 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 argument that we misapprehended or misunderstood Appellant’s remarks concerning a hypothetical patent-eligible claim. Req. for Reh’g 40-41. We are not persuaded by Appellant’s argument 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. 14; *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 argument 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. for Reh'g 42–43. Accordingly, we maintain our position in the Decision that Appellant's due process arguments lack factual support and are unpersuasive of error. Dec. 15.

#### PREEMPTION

Appellant argues that the Board overlooked the Appeal Brief's arguments concerning lack of preemption. Req. for Reh'g 44. The board noted and responded to Appellant's preemption argument in the Decision. Dec. 15; *see also* App. Br. 9. The board implied, without stating explicitly, that we agree with Appellant that the claims do 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 1–14 and 18–23 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. for 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. ¶ 34. "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. ¶ 35. "Server system 101 acts as an intermediary between merchant computing system 102 and client computing device 103 for requesting and obtaining a signature." Spec. ¶ 36.

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 three 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 webpage to the client computing device." We agree with Appellant that Loomis does not teach the server communicating directly with the consumer. Req. for Reh'g 49.

Therefore, we agree with Appellant that the combination of Henderson 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 1–7, 11, 14, and 18–23 over Henderson and Loomis; we do not sustain the Examiner's § 103(a) rejection of claims 8–10 over Henderson, Loomis, and Lyon; and we do not sustain the Examiner's § 103(a) rejection of claims 12 and 13 over Henderson, Loomis, and Davis.

#### 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 1–14 and 18–23. 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