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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SUSAN L. WAKE and JULIE YU

Appeal 2018-000580¹
Application 10/231,970
Technology Center 2400

Before JEAN R. HOMERE, CAROLYN D. THOMAS, and MICHAEL M. BARRY, *Administrative Patent Judges*.

HOMERE, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 12, 15–20, 22–33, 42, and 52–84. App. Br. 12. Claims 1–11, 13, 14, 21, 34–41, and 43–51 have been canceled. Claims App'x. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ Appellants identify the real party in interest as Qualcomm, Incorporated. App. Br. 3. In earlier Appeals (2014-009231, decided May 11, 2016, and 2010-003452, decided June 25, 2012), we affirmed the Examiner's rejections of all claims then pending before us.

Appellants' Invention

Appellants' claimed subject matter relates to a method and system for allowing a billing server (16) to track billing events (application sales and services) provided by third party application systems (30, 32) to wireless devices (12, 18, 20, 22) via a wireless network (14). Spec. ¶ 1, Fig. 1. In particular, upon retrieving from a database (28) billable events associated with identified transactions between the wireless devices (12, 18, 20, 22) and the third party providers (30, 32), the billing server (16) aggregates the billing information, which it forwards to the carrier network (40) of the wireless devices (12, 18, 20, 22). Spec. ¶¶ 15–17, Fig. 2. Upon receiving from the network carrier (40) payment made by users of the wireless devices (12, 18, 20, 22) for the billable events, the billing server (16) effects the payment to respective third party providers (30, 32). *Id.*

Illustrative Claim

Independent claim 12 further illustrates the invention. It reads as follows:

12. A method of billing for third party applications or services provided to a wireless device of a subscriber to a wireless network service, the method comprising:
 - aggregating, by a billing sever, a plurality of billable events that occurred between the wireless device and a plurality of third party computer devices into billable event data, wherein each billable event of the plurality of billable events identifies an interaction of the wireless device with a third party computer device of the plurality of third party computer devices, wherein the interaction comprises at least an access to a specific component of the application or service;
 - transmitting, by the billing server, billing information for the plurality of billable events to a wireless network carrier providing the wireless network service to the wireless device, wherein the billing information identifies, for each third party computer device of the plurality of third party computer

devices, a subset of the plurality of billable events for which the third party computer device is to be paid;

receiving, at the billing server, one or more payments from the wireless network carrier for the plurality of billable events that occurred between the wireless device and the plurality of third party computer devices; and

effecting, by the billing server, payment of each third party computer device of the plurality of third party computer devices for billable events that occurred between the wireless device and the third party computer device of the plurality of third party computer devices.

Prior Art Relied Upon

The Examiner relies on the following prior art as evidence of unpatentability:

Blair et al.	US 2002/0069244 A1	June 6, 2002 (Filed Aug. 3, 2001) Dec. 18, 2003
Laraki et al.	US 2003/0233329 A1	(Filed Dec. 6, 2002) June 22, 2004
Daase et al.	US 6,754,320 B2	(Filed Jan. 11, 2001)

Rejections on Appeal

The Examiner rejects the claims on appeal as follows:

1. Claims 12, 15–19, 22–25, 28, 30–32, 42, and 52–56 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Laraki. Final Act. 3–15.²

² Claims 73–84 were inadvertently included in this statement of the rejection. Because the cited claims are actually discussed as part of the obviousness rejection over the combination of Laraki and Blair, as indicated in rejection 3, we will discuss those claims as part of our obviousness discussion.

2. Claims 20, 26, 27, 29, 33, and 57–72 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the combination of Laraki and Daase. Final Act. 16–25.
3. Claims 73–84 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the combination of Laraki and Blair. Final Act. 25–29.
4. Claims 12, 15–19, 22–25, 28, 30–32, 42, and 52–84 stand rejected under 35 U.S.C. § 101 as being directed to a judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract idea) without significantly more. Ans. 30–33.³

ANALYSIS

We consider Appellants’ arguments *seriatim* as they are presented in the Appeal Brief (pages 12–24), and the Reply Brief (pages 2–17).⁴

Anticipation Rejection

Appellants argue Laraki does not describe the billing server transmitting billing information for the billable events to the wireless network carrier providing the wireless network service to the wireless device, as recited in claim 12. App. Br. 17. In particular, Appellants argue because Laraki discloses a billing system (108), which is part of the carrier

³ New ground of rejection entered in the Answer.

⁴ Rather than reiterate all the arguments of Appellants and all the Examiner’s findings and conclusions, we refer to the Appeal Brief (filed March 9, 2017) (“App. Br.”), the Reply Brief (filed October 24, 2017) (“Reply Br.”), and the Answer (mailed August 31, 2017) (“Ans.”), and the Final Office Action (mailed November 28, 2016) (“Final Act.”) for the respective details. We have considered in this Decision only those arguments 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)(2016) .

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(100), there would be no need for the billing system to transmit billing information to the carrier. *Id.* (citing Laraki ¶¶ 40–41). According to Appellants, in Laraki, all billing transactions are handled by the billing system, not the network carrier required by the claim. *Id.* at 17–18.

This argument is persuasive. At the outset, we note the Examiner improperly relies upon different embodiments of Laraki to make the anticipation rejection. Ans. 38–39 (citing Laraki ¶¶ 31, 32, 40–45).⁵ Further, as persuasively argued by Appellants, Laraki explicitly discloses the carrier includes a billing system that calculates a bill for the user of the wireless device based on a stored subscription so as to bill the user for access to subscription content. App. Br. 17–18 (citing Laraki ¶¶ 40–41). Thus, although the Examiner correctly finds that the billing server disclosed in Laraki identifies billing information for each third party provider content accessed by a wireless device, we do not agree with the Examiner that the billing server transmits the billing information to the carrier network. Instead, as argued by Appellants, the billing system generates a bill, which it provides directly to the wireless user for payment. We therefore agree with

⁵ In an anticipation rejection, “it is not enough that the prior art reference . . . includes multiple, distinct teachings that [an ordinary] artisan might somehow combine to achieve the claimed invention.” *Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1371 (Fed. Cir. 2008). Rather, the reference must “clearly and unequivocally disclose the claimed [invention] or direct those skilled in the art to the [invention] without *any* need for picking, choosing, and combining various disclosures not directly related to each other by the teachings of the cited reference.” *Id.* (quoting *In re Arkley*, 455 F.2d 586, 587 (CCPA 1972)). Thus, while “[s]uch picking and choosing may be entirely proper in the making of a 103, obviousness rejection . . . it has no place in the making of a 102, anticipation rejection.” *Arkley*, 455 F.2d at 587–88.

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Appellants that, in this particular embodiment, there is no need for the billing server to transmit the billing information to the carrier network, which includes the billing server. Because Appellants have shown at least one reversible error in the Examiner's anticipation rejection of claim 12, we need not reach Appellants' remaining arguments.

Accordingly, we are persuaded of error in the Examiner's anticipation rejection of claim 12, as well as of claims 15–19, 22–25, 28, 30–32, 42, and 52–56, which recite commensurate limitations.

Obviousness Rejections

Regarding claims 20, 26, 27, 29, 33, and 57–84, Appellants argue, and we agree, that neither Blair nor Daase cures the noted deficiencies of Laraki, as discussed above. App. Br. 22–23. Accordingly, we are persuaded of error in the Examiner's obviousness rejections of the cited claims.

Patent Ineligibility Rejection

Appellants argue the Examiner erred in concluding that claims 12, 15–20, 22–33, 42, and 52–84 are directed to the abstract idea of “billing and payment for a third party application(s) or service(s) received by a wireless device via a wireless network carrier”. Reply Br. 2. In particular, Appellants argue that the Examiner's characterization of the claims as merely reciting “[a] general contractor (billing server) collecting payments from a home owner (a wireless network carrier) to pay the subcontractors (third party computer devices) for their services,” where “[a] bill can be drafted by a human or general contractor and an exchange of event data and the bill can be distributed via paper mail,” is exactly the type of “high level of abstraction” or “excessively broad interpretation” cautioned against in

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Enfish.⁶ *Id.* at 3. According Appellants, the Examiner’s interpretation of the billing server as a general contractor and the wireless carrier as a home owner is far more “untethered from the language of the claims” than the characterizations made in *Enfish*. *Id.* 3–4. Appellants argue that, similar to the claims in *Enfish* and *McRO*⁷, the claims are directed to improving computer-related technology of “monitoring and billing for wireless telecommunication device activity” by “allow[ing] a service provider to bill or account for activities by the wireless device that [do] not occur on the computer devices of that provider.” *Id.* at 5–6 (citing Spec. ¶¶ 4, 24, 25). According to Appellants, the technology is not performable by human; rather, it is directed to a claimed solution that amounts to an inventive concept for resolving a particular Internet-centric problem, which renders the claims patent-eligible. *Id.* at 7 (citing *DDR Holdings*).⁸

Further, Appellants argue that the claims do not preempt or “tie up” the use of the alleged abstract idea of “billing and payment for a third party application(s) or service(s) received by a wireless device via a wireless network carrier.” *Id.* at 8–9. Furthermore, Appellants argue that the claims recite significantly more than the alleged abstract idea because they improve another technology or technical field, and they include features that are not “well-understood, routine, and conventional.” *Id.* at 10. In particular, Appellants reiterate that Laraki or any prior art of record does not teach all features of claim 12 including the billing server transmitting billing information to the wireless network carrier. *Id.* Additionally, Appellants argue that the cited unconventional features confine the claims to a particular

⁶ *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1338 (Fed. Cir. 2016).

⁷ *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (2016).

⁸ *DDR Holdings, LLC v. Hotels.com, LP*, 773 F.3d 1245 (Fed. Cir. 2014).

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useful application for solving a problem specific to a particular technological environment. *Id.* at 10–12.

These arguments are not persuasive. The U.S. Supreme Court provides a two-step test for determining whether a claim is directed to patent-eligible subject matter under 35 U.S.C. § 101. *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014). In the first step, we determine whether the claims are directed to one or more judicial exceptions (i.e., laws of nature, natural phenomenon, and abstract ideas) to the four statutory categories of invention (i.e., process, machine, manufacture, and composition of matter). *Id.* (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). In the second step, we “consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 132 S. Ct. at 1297–98). 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.* (quoting *Mayo*, 132 S. Ct. at 1294).

At the outset, we note that claim 12 recites to a computer implemented method for “billing for third party applications or services provided to a wireless device of a subscriber to a wireless network service,” which we agree is directed to an abstract idea. *See* Ans. 30. In particular, we agree with the Examiner that billing and effecting payment for services rendered by a third party to another party is a known economic practice that traditionally involves human activity. *Id.* at 31. Although Appellants argue that the rejection is premised upon the Examiner’s “excessively broad

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interpretation” of the claim language, we are not persuaded that the specific limitations argued by Appellants pertain to a computer-centric solution or that they amount to more than a claim to the abstract idea, thereby causing the claim to be directed to patent eligible subject matter. Albeit the claimed subject matter does recite a billing server for aggregating/transmitting billing information, as well as receiving/effecting payment, such functions are not proprietary to the billing server itself. In other words, the aggregation and the transmission of data, as well as the receipt and effecting of payment from one party to another involve typical and conventional functions that take place during the routine billing and payment in a distributed computing environment or the like. Thus, the claimed subject matter recites nothing more using a computer for collecting billing information and presenting the results of the collecting and analyzing the information for effecting payment. Therefore, the use of a computer to perform the recited functions is tantamount to linking those abstract concepts to the particular technological environment. *See Elec. Power Grp. LLC v. Alstom S.A.*, 830 F.3d 1350 (Fed. Cir. 2016); *see also Content Extraction & Transmission LLC v. Wells Fargo Bank Nat’l Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) (characterizing collecting information, analyzing information by steps people go through in their minds, or by mathematical algorithms, and presenting the results of the collecting and analyzing information, without more, as matters within the realm of abstract ideas). Accordingly, notwithstanding that there may or may not be a direct corresponding offline equivalence for the claimed subject matter, we agree with the Examiner that the claims are directed to the abstract idea of billing and effecting payment for services/applications received by a wireless device in a computer network, and not to any improvements to the operation of the computer

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network itself. *See* Ans. 31; *compare with Enfish, LLC v. Microsoft Corp.*, 822 F.3d at 1338 (concluding that claims directed to a self-referential table for a computer database were patent eligible because the claims were directed to an improvement in the functioning of a computer). Likewise, although the claims recite a solution for a computing system, they are unlike the claims found to be patent eligible in *DDR Holdings* because the claims in this appeal are directed to nothing more than the performance of billing and payment functions in a conventional computer network, and not to any technological improvement in the computer network itself.

Furthermore, Appellants' argument asserting that the claims do not block others from using the abstraction does not persuade us that the claims are directed to patent eligible material. Preemption is not a separate test.

To be clear, the proper focus is not preemption *per se*, for some measure of preemption is intrinsic in the statutory right granted with every patent to exclude competitors, for a limited time, from practicing the claimed invention. *See* 35 U.S.C. § 154. Rather, the animating concern is that claims should not be coextensive with a natural law, natural phenomenon, or abstract idea; a patent-eligible claim must include one or more substantive limitations that, in the words of the Supreme Court, add "significantly more" to the basic principle, with the result that the claim covers significantly *less*. *See Mayo* 132 S. Ct. at 1294. Thus, broad claims do not necessarily raise § 101 preemption concerns, and seemingly narrower claims are not necessarily exempt.

CLS Bank Int'l v. Alice Corp. Pty. Ltd., 717 F.3d 1269, 1281 (Fed. Cir. 2013); *see also Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) ("[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility."). Because we find the claimed subject matter covers patent-ineligible subject matter, the preemption concern is necessarily

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addressed. “Where a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, [] preemption concerns are fully addressed and made moot.” *Ariosa Diagnostics*, 788 F.3d at 1379.

We likewise agree with the Examiner that because the recited functions are conventional and well-understood and do not go beyond those of a general purpose computer for merely aggregating/transmitting data and receiving/affecting payment, they do not amount to significantly more than the abstract idea. Ans. 32. As correctly noted by the Examiner, the specific steps recited in the claims (e.g., aggregating/ transmitting billing information, and receiving/ effecting payment) do not impart improvements to another technology or technical field or improvements to the functioning of a computer itself, nor do the limitations effect a transformation or reduction of a particular article to a different state or thing. *Id.* at 32–33. Further, we agree with the Examiner that the so-called specific claim limitations are nothing other than what is well-understood, routine and conventional in the field, and do not add unconventional steps that confine the claim to a particular useful application. *Id.* Additionally, we note that although we agree with Appellants that Laraki does not describe the billing server transmitting billing information to the carrier network, such a finding is not determinative of the claims’ patent eligibility. The second step in the *Alice/Mayo* analysis includes a search for an inventive concept. However, the analysis is not an evaluation of novelty or nonobviousness, but rather, a search for “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.’” *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 566 U.S. 66 at 1294). A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 132 S. Ct.

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at 1304. Furthermore, “under the *Mayo/Alice* framework, a claim directed to a newly discovered law of nature (or natural phenomenon or abstract idea) cannot rely on the novelty of that discovery for the inventive concept necessary for patent eligibility.” *Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1376 (Fed. Cir. 2016). The Supreme Court emphasizes: “[t]he ‘novelty’ of any element or steps in a process, or even of the process itself, is of **no relevance** in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.” *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981) (emphasis added). Our reviewing court further guides that “[e]ligibility and novelty are separate inquiries.” *Two-Way Media Ltd. v. Comcast Cable Commc’ns, LLC*, 874 F.3d 1329, 1340 (Fed. Cir. 2017); see also *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1263 (Fed. Cir. 2016) (holding that “[e]ven assuming” that a particular claimed feature was novel does not “avoid the problem of abstractness”).

Finally, Appellants are reminded that “relying on a computer to perform routine tasks more quickly or more accurately is insufficient to render a claim patent eligible.” *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015) (citing *Alice*, 134 S. Ct. at 2359 (“use of a computer to create electronic records, track multiple transactions, and issue simultaneous instructions” is not an inventive concept)). When viewed as a whole, beyond the abstract idea, claim 1 recites nothing more than a generic computer performing conventional processing functions that courts have routinely found insufficient to transform an abstract idea into a patent-eligible invention. As such, claim 12 amounts to nothing significantly more than an instruction to implement the abstract idea on a generic computer — which is not enough to transform an abstract idea into a patent-eligible

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invention. *See Alice*, 134 S. Ct. at 2358–60. *Id.* Accordingly, we are not persuaded of error in the Examiner’s conclusion that claims 12, 15–20, 22–33, 42, and 52–84 are directed to patent ineligible subject matter.

DECISION

For the above reasons, we reverse the Examiner’s prior art rejections of claims 12, 15–20, 22–33, 42, and 52–84, as set forth above. However, we affirm the Examiner’s patent ineligibility rejection of claims 12, 15–20, 22–33, 42, and 52–84.

Because we have affirmed at least one ground of rejection with respect to each claim on appeal, the Examiner’s decision is affirmed. *See* 37 C.F.R. § 41.50(a)(1).

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